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ABSTRACT

This collection of six commentaries represents the National Urban League's perspective on public policies needed to promote the interests of black Americans. Each commentary focuses on the present condition of blacks, details the impact of recent policy intiatives, and delineate's the League's proposals for improvement. "Black Americans and Public Policy" (D. G. Glasgow) urges policymakers not to use the Federal budget deficit as an excuse to avoid funding domestic programs that would improve the socioeconomic status of blacks. "Civil Rights and Social Justice" (R. McAlpine, B. J. Tidwell, and M. L. Jackson) recommends voting, education, employment, and housing policies that would counteract the deleterious reversals of the Reagan era. "Employment and Training: Toward the Year 2000" (B. C. Watson, V. Austin, and J. Reed) makes recommendations for improving the Job Training Partnership Act (JTPA), employment, and the national economy. "Education: In Search of Equity and Excellence" (D. J. Jones, E. W. Chunn, and S. G. Robinson) argues that the Federal Government has the primary responsibility for providing programs that meet the educational needs of blacks. "Welfare Reform: An Antipoverty Strategy" (S. Bergeron, J. Dixon, and D. G. Glasgow) recommends the development of a national antipoverty program based on reform of the Aid to Families with Dependent Children (AFDC) program. "Black Economic Development: Still on the Margin" (B. J. Tidwell, K. V. Hill, and L. B. Malone) suggests reforms in minority business support, block grants, urban development grants, and enterprise zones. Each commentary includes a list of references. (FMW)

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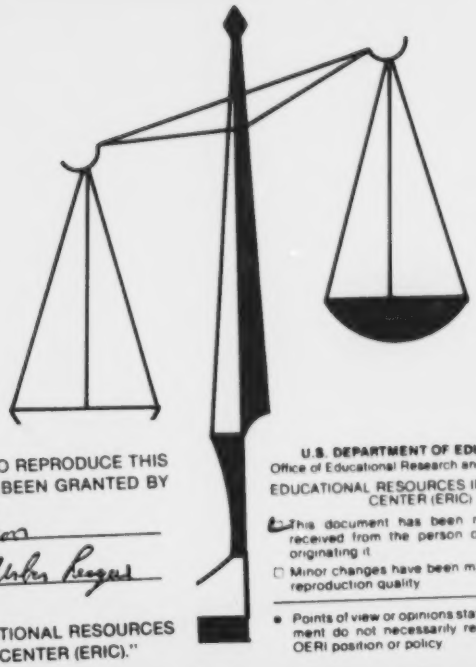

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National Urban League, Inc.

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Founded in 1910, the National Urban League is the premier social service and civil rights organization in America. The League is a nonprofit, community-based agency headquartered in New York City, with 112 affiliates in 34 states and the District of Columbia. Its principal objective is to secure equal opportunity for blacks and other minorities.

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Preface

It is no exaggeration to say that black America is, once again, at a momentous crossroad. The central issue is what policy directions the nation will adopt in the post-Reagan era. Even as we continue to mobilize and support organized self-help initiatives in the black community, the National Urban League is determined to secure public policies that are essential to promote the well-being of black Americans. This is not to say that we seek to rejuvenate completely the priorities and strategies that predominated in the 1960s. We do, however, urge that the progressive retrenchment of recent years be reversed.

The present volume is part of the League's broader effort to influence the policy redirections necessary to brighten the prospects for black America. The articles contained herein put into sharp focus the present condition of blacks in selected areas, detail the impact of recent policy initiatives on these conditions, and delineate the League's considered proposals for improvement.

Following an incisive commentary that discusses some of the broader policy developments that have affected black Americans in recent years, the articles address more specific issues on the critical subjects of civil rights, employment, education, welfare reform, and black economic development. The presentations provide instructive observations that seek to challenge as well as inform all Americans on matters of public policy that should be of universal concern.

Although it is released at a point in time that is highly charged politically, this work is intended to be informative and influential well beyond the upcoming national elections. Thus, it constitutes another reference document for policymakers, scholars, and the general public concerning the contemporary problems facing black America as the nation approaches the uncertainties of the twenty-first century.

A number of people collaborated intensively to bring the publication to fruition. The production was coordinated by Dr. Billy J. Tidwell, the NUL's Director of Research, under the oversight of Dr. Douglas G. Glasgow, Vice President for Washington Operations. Other members of the NUL's executive leadership—Frank Lomax III, Executive Vice

President, Mildred L. Love, Vice President for Programs and Field Services, and Clarence N. Wood, Vice President for External Affairs—critically reviewed and commented on the draft manuscript. Special acknowledgement is owed to the entire Washington Operations administrative support staff, whose proficiency in accomplishing the internal production tasks was exemplary. Finally, I commend the authors for the rigor and expertise they displayed in meeting the challenge put before them.

John E. Jacob
President
National Urban League

Black Americans and Public Policy

Douglas G. Glasgow

The past two decades represent a most momentous period in the modern history of black America. Neither the best of times nor the worst of times, the period has been marked by a series of dynamic contradictions that fundamentally contoured the black experience. Hopeful developments were met by countervailing negative events; forces for positive change clashed with conveyors of retrogression; ideals conflicted with harsh reality.

The contradictions occurred with disquieting frequency. Thus, the period brought continued advances by blacks in the area of civil rights, but it also brought a resurgence of racism and efforts that would undermine these gains. It brought increased employment for blacks, but it also brought depression levels of black joblessness and a widening of the black/white unemployment gap. It brought general black economic progress, but it also brought deep economic despair and an expanding black poor and underclass. It brought black political empowerment, but it also brought insidious schemes to weaken the black vote. The net effect of such contradictions has been to deny black Americans full equity in the American Dream.

The contradictions of the period encompassed even more broad based developments that impacted the interests of black America. Thus, the period brought the end of the nation's longest, most costly war, but it also brought the largest peacetime military build-up in our history. It brought impressive economic growth, but it also brought recession and unprecedented budget and trade deficits that threaten economic self-destruction. It brought integral government involvement in meeting human needs, but it also brought a radical redefinition of governmental responsibility. It brought a renewed emphasis on traditional values, but it also brought sanctioned assertions of greed, self-indulgence, and disregard for the collective good.

In combination, these contradictions—and others could be cited—are symptomatic of a contemporary crisis in public policy that seriously menaces the convergent interests of black America and the nation as a whole. Since 1980, in particular, public policy has been restructured to disserve the legitimate aspirations of black Americans in vital areas of life. As we approach the end of the Reagan era, it is necessary to critically assess the impact of his presidency. More importantly, it is necessary to determine the policy redirections that are essential to pursue in the years ahead, and to contemplate a new ordering of national priorities that promotes the well-being of all Americans.

In short, this is a profoundly strategic point in time. The policy choices that emanate from the intensifying public debate and political process surely will have far-reaching consequences for all Americans in general, and the black community in particular.

The assessment process is, of course, already underway. Thus, the recent release of the updated Kerner Commission Report,[1] twenty years after publication of the original document, was timely. Similarly, the special edition of *Newsweek* magazine, "Black & White: How Integrated is America?"[2] issued earlier this year, has helped to enliven and focus the public debate. And *Ebony* magazine's special issue on the "Black Middle Class"[3] stimulated widespread popular discussion among white as well as black Americans. These examples illustrate the breadth of concern about the contemporary condition of black America, its rate of social, economic, and political progress, as well as the prospects ahead. They also reflect a wholesome preoccupation with the role of public policy in aiding or retarding black advancement.

As the discussion of problems and prospects proceeds, it is important that policymakers, black Americans, and the general public conduct their assessments within a framework that embodies the overriding broader issues. Some of these are addressed below.

Government Responsibility

One of the most compelling issues confronting the nation is the role of government in meeting the needs of black Americans and other disadvantaged segments of the population. The responsibility of the federal government, in particular, is a matter of continuing debate among policymakers, scholars, and the larger public. Even within black America itself, there are competing viewpoints on this question. While the discussion has been constructive, it has also been characterized by oversimplification, misconception, and lack of appreciation of the historical black experience.

The Reagan Administration took office dedicated to a philosophy that emphasized minimal government involvement in domestic affairs. In large part a reaction to the more activist posture and perceived excesses of prior Democratic administrations, the Reagan philosophy of "good government" was operationalized in three interrelated ways—1) reduced social spending, 2) increased decentralization, and 3) extensive deregulation.

The spending reductions have been massive. Overall, domestic spending has dropped precipitously since 1981. More tellingly, federal expenditures on social programs to aid the poor and disadvantaged have been slashed by 54 percent.[4] Concomitantly, the Administration has shifted much of the responsibility and authority for the conduct of social programs to the states and localities. This "New Federalism" has drastically reconfigured the nature of service delivery in employment and training, education, welfare, housing, and other areas in which the national government formerly took a lead role. Finally, the movement toward deregulation has progressively disengaged the federal government from the oversight and control functions long deemed vital to preserve the integrity of the economy and to protect the consuming public from detrimental commercial practices.

The Administration and neoconservatives generally have vehemently defended these changes, arguing the imperative of fiscal restraint, the promise of local and private sector initiative, and the stifling impact of government regulation. Obviously, such arguments have been advanced with a high degree of success, and are, in some ways, intuitively appealing.[5] But just how defensible are they and the policy initiatives with which they are associated?

For example, the neoconservative view that the social programs of the 1960s and '70s were summarily unsuccessful and wasteful of public resources is unjustified.[6] To be sure, the many federal efforts to alleviate poverty and improve the well-being of blacks and other disadvantaged groups often fell well short of their stated objectives. Moreover, cost inefficiencies, administrative abuses, and faulty implementation were widespread problems. However, it is flatly inaccurate to suggest that no worthwhile benefits were achieved. It is an egregious misjudgment to conclude, therefore, that the federal government should basically get out of the business of promoting social betterment.

Let us assume, however, that the neoconservative position is valid. Let us assume that the shift of responsibility to the states, localities and the private sector is, in principle, advantageous given their closer proximity to and, hence, greater appreciation of social problems and what

is required to remedy them. In other words, let us assume the espoused merits of decentralization. The problem is that the Administration's budgetary actions have severely frustrated the presumed potentialities of the structural changes in responsibility. Put differently, the functional realignment has not been matched by an equivalent reallocation of the fiscal resources necessary to make it work. To the contrary, funding levels in key functional areas have been sharply reduced. The employment and training area is a prime example. Thus, the transition from CETA (Comprehensive Employment and Training Act), a federal, centralized program to JPTA (Job Training Partnership Act), a decentralized program was accompanied by nearly a 50 percent decrease in federal outlays for employment and training programs between 1981 and 1983 alone.[7] States and localities have been hard pressed to serve a decent fraction of their needy population under the new system.

Of course, the proponents of federal disengagement and reduced social spending promised that the philanthropic generosity and voluntary initiatives of the American public would compensate for the funding curtailments in critical areas. The Administration has campaigned vigorously on behalf of increased philanthrophy, voluntarism and self-help. However, the expectation was patently unrealistic. The severity of the budget cuts has left an insurmountable gap between resources and need, despite laudable private efforts to take up the slack. Within this context, the popular debate about black self-help deserves special comment.

Organizations such as the National Urban League have been widely criticized by neoconservatives, white *and* black, for advocating an active government role in addressing the needs of black America. Invoking the experiences of other racial and ethnic groups, critics argue that black Americans should cease soliciting government support and pursue self-help strategies to ameliorate their condition.[8] Such propositions demand several responses. First, many of these pronouncements betray an ignorance of the long tradition of self-help and collective enterprise within black America. The historical record clearly documents that blacks have been energetic in exercising initiative and resourcefulness on their own behalf. Furthermore, the Urban League (and similar black organizations) has been an integral part of this history. Naturally, the success of self-help endeavors by the black community in various areas has been uneven, and more concentrated effort is sorely needed. Nevertheless, the tradition is firmly established and widely prevalent today. Any suggestion that blacks have relied exclusively on government largess, therefore, is flagrantly misguided.

Second, the chastisement of black Americans for not progressing more on their own largely disregards the prohibitive constraints of racism and discrimination that have been peculiar to their experiences, both historically and in the contemporary period. This point is not a rationalization. It is a statement of fact that should be fully taken into account in any objective assessment.

Third, there is a glaring inconsistency between the neoconservative emphasis on black self-help and the opposition to affording blacks the public resources that may be necessary to facilitate such efforts in viable ways. There is an instructive divergence here between the Reagan Administration's attitude toward aiding less developed countries (LDCs) and its treatment of black communities that are equally needy and desirous of self-development. In the former case, the Administration has been much more forthcoming in making the necessary "booster" resources available. Apparently, the development of LDCs is considered more beneficial to our national interests than is the development of depressed areas within our own borders. There is also a revealing analogy between the failure to support black self-help and the underfunding of states and localities to discharge the functions that the federal government has relinquished. Black spokespersons are no more unreasonable in complaining about the lack of support than are governors and local elected officials.

Finally, many of the problems facing black America are so staggering in magnitude and complexity that it is grossly unrealistic to believe that the self-help approach, how ever soundly executed, will suffice to overcome them. Government, in partnership with the private sector and the black community itself, simply must have a substantial role.

In sum, the debate about black self-help has been too simplistic. Likewise, the neoconservative perspective on government responsibility relative to the needs of blacks and others among the disadvantaged is both flawed in concept and harmful in its policy implementations.

The self-help debate has too often been conducted in dichotomous terms—either government assistance *or* self-reliance. It should be clear that this is a false dichotomy. Nonetheless, a major challenge before black Americans is to exploit fully their collective resources in order to maximize their participation in this pluralistic society.

Black Progress

Much stress has been placed on the amount of progress blacks have achieved, especially in terms of their economic status. Indeed, there is

a widespread view that except for a small underclass segment of the population, black Americans have reached the take-off point of economic well-being. This assessment has been loudly promulgated by neoconservatives, who have eagerly embraced sources such as the highly regarded Rand Report and a similar report issued by the United States Commission on Civil Rights as empirical support for their summary conclusion.[9]

How, then, can the National Urban League justify its persistent claims, articulated through the annual *State of Black America* publication and other means, that black America continues to be economically hard pressed? This query underscores a contemporary policy issue that has major implications. For if the neoconservative position is correct, then the nation no longer has any special obligation to promote black economic progress. Several clarifying observations must be offered.

First, there is no disputing the fact that blacks have made tremendous strides toward improving their general economic condition over the long-term. In this sense, the findings in the Rand and Civil Rights Commission reports simply substantiate what one would intuitively expect and what countless other studies have consistently documented.[10] The research of the National Urban League raises no question about the impressive degree of black economic advancement since the turn of the century. However, blacks obviously had a staggering amount of ground to make up. Virtually any relief of the oppression they suffered was bound to produce significant gains. Further, there continue to be wide disparities between blacks and whites on every key dimension of economic status. The current measures are unambiguous on this point.[11]

Second, although blacks have netted substantial progress over the long-term, they have also experienced significant reversals along the way. Thus, the ratio of black-to-white unemployment is larger now than it was in 1960. Similarly, the black/white income gap has widened in recent years. Not only do such developments temper assessments of black progress, but they also bespeak the pervasive problem of economic insecurity. Black Americans are still disproportionately vulnerable to forces and events that would plunge them into economic despair. In this respect, a fine line distinguishes the new black middle-class from the black poor. Indeed, middle-classness for blacks is a remarkably fluid, precarious status. This salient point is rarely mentioned in popular accounts.

Finally, those who do not understand or refuse to accept the overriding goal of black Americans are sure to misrepresent the real situation. Whether it pertains to economic development or other areas, *parity* is the ultimate standard against which black progress must be measured.

Neither the National Urban League nor the black community as a whole will cease to denounce the status quo until this legitimate goal is fully realized.

In short, empirical realities and an undeniable moral imperative compel black Americans to repudiate the all-is-well view that has been so boldly propounded by the guardians of inequity and established interests. By the same token, blacks must reject the recent policies of neglect that stem from this perspective.

Race or Class

This issue is directly linked to the preceding discussion. The Reagan Administration and its spokespersons have insisted that American society is now "color-blind." Accordingly, in the Administration's view, the nation's constitutional obligations have been met, and there is no longer any need for affirmative measures to combat the effects of racial discrimination. To the contrary, such measures are deemed to be morally and constitutionally objectionable, insofar as they violate the civil rights of white Americans. The color-blind viewpoint has been sharply manifested in the Administration's policy initiatives concerning civil rights.[13]

Of course, those who contend that the society is race-neutral acknowledge the continued socioeconomic inequalities between blacks and whites. In explaining these differences, however, they discount the importance of racial discrimination, a practice that was heavily influenced by overly simplistic interpretations of William Wilson's popular book, *The Declining Significance of Race.*[13] Hence, the disadvantaged conditions that describe the contemporary black experience are imputed to class phenomena, the impact of structural changes in the modern economy, coupled with a system of social values among blacks that is antithetical to socioeconomic mobility. The highly visible "black underclass" epitomize the problem.[14]

There is no doubt that American society has matured well beyond the blatant racial subjugation and white supremacy mentality of the past. The principle of equal opportunity appears to be firmly ensconced in the body politic. However, it is equally apparent that disparity persists between principle and reality. For example, it is impossible to account fully for the status differences between comparably credentialed blacks and whites in occupational attainment without recognizing the continuing impact of race in the labor market. Similarly, evidence of racial discrimination proliferates in the many subtle attempts to impede black progress in the political and education arenas.

In addition to current discriminatory practices, the residual effects of past discrimination continue to hinder black progress. It is a folly of objective reasoning to believe that the present status of blacks is unrelated to the centuries of racial oppression they endured. It is no less misguided to propose that compensatory public policies are unwarranted. The fact is that alleged color-blindness amounts to little more than complacency with the covert, interlocking discriminatory processes that evolved from and continue to reflect this nation's racial history.

With respect to the black underclass, this segment of black America is indeed in dire straits. They lack the wherewithal to compete in today's economy and exhibit, in various ways, an attitude of resignation toward their plight. However, one should not confuse resignation with cultural deficiency. One should not confuse adaptations to the reality of limited opportunity with an irreversibly dysfunctional value system.[15] The black underclass emerged from and are sustained by the dynamic interplay between class *and* race factors. As such, they represent the severest form of the race/class predicament that generally characterizes black America.[16]

Looking Ahead

These and other pivotal issues are sure to inform public policy debate for the foreseeable future. The topical discussions in the pages to follow provide detailed elaborations on the broader themes. It suffices to conclude here by emphasizing the divergence between present national priorities and the nation's egalitarian ideals. The imbalance must be corrected. To do so requires a more forthright evaluation of recent initiatives, a better appreciation of the mutuality between the national interests and the needs of black Americans, and a commitment to public policies that are progressive in both motivation and result. In this regard, the nation's budget deficit must no longer be used as an excuse for neglecting domestic needs. Of course, the deficit must be brought under control through sound monetary and fiscal policy. But the deficit is not the real issue. The overriding question is whether the nation will reorder its priorities to ensure internal growth and well-being. In addition, as we proceed into the 1990s and beyond, it is essential that black Americans intensify their efforts at self-development in all areas. In the final analysis, the future is theirs to determine.

FOOTNOTES

[1]*The Kerner Report Updated: Report of the 1988 Commission on the Cities*, Proceedings of National Conference on "The Kerner Report Twenty Years Later," Racine, Wisconsin, February 27-29, 1988.

[2]*Newsweek* Magazine, March 7, 1988.

[3]*Ebony* Magazine, Vol. XLII, No. 10, August 1987.

[4]Center on Budget and Policy Priorities, "The New Reductions in Low Income Programs in FY 1988" (Washington, DC: CBPP, January 1988).

[5]For example, see, Jack A. Meyer (ed), *Meeting Human Needs: Toward a New Public Philosophy* (Washington, DC: The American Enterprise Institute, 1982).

[6]This conclusion is reinforced in Charles Murray, *Losing Ground: American Social Policy, 1950-1980* (New York: Basic Books, Inc., 1984). For countering analyses, see, Sheldon H. Danziger and Daniel H. Weinbery (eds), *Fighting Poverty* (Cambridge, MA: Harvard University Press, 1986).

[7]Demetra Smith Nightengale, *Federal Employment and Training Policy Changes During the Reagan Administration: State and Local Responses* (Washington, DC: The Urban Institute, 1985), p. 16. Also, see article by Watson, Austin, and Reed in this volume.

[8]Stuart M. Butler's recent editorial is representative; cf., *Baltimore Evening Sun*, Friday, February 26, 1988. Also, Thomas Sowell, a black social scientist, has greatly influenced public thinking. See his, *Race and Economics* (New York: McKay, 1975) and *Civil Rights: Rhetoric or Reality* (New York: William Morrow and Company, 1984).

[9]James P. Smith and Finis R. Welch, *Closing the Gap: Forty Years of Economic Progress for Blacks* (Santa Monica, CA: Rand Corporation, 1986). U.S. Commission on Civil Rights, *The Economic Progress of Black Men in America*. Clearinghouse Publication, No. 91, October 1986.

[10]Douglas G. Glasgow and Billy J. Tidwell, "Better or Worse, More or Less: The Rand/Unicon Report on Black Economic Progress" (Washington, DC: National Urban League, Washington Operations, 1986).

[11]See article by Tidwell, Hill, and Malone in this volume.

[12]See article by McAlpine, Tidwell, and Jackson in this volume.

[13]William J. Wilson, *The Declining Significance of Race* (Chicago: University of Chicago Press, 1978); also, Sowell, op. cit.

[14]For discussion, see Douglas G. Glasgow, *The Black Underclass* (San Francisco: Jossey-Bass, Inc., 1980) and "The Black Underclass in Perspective," in Janet Dewart (ed), *The State of Black America 1987* (New York: National Urban League, Inc., 1987), pp. 129-144.

[15]Ibid.

[16]William Wilson updates his thinking on this issue in his new work, *The Truly Disadvantaged, The Inner City, The Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987).

Civil Rights and Social Justice: From Progress to Regress

Robert McAlpine
Billy J. Tidwell
Monica L. Jackson

INTRODUCTION

The Supreme Court's 1954 decision in *Brown v. Board of Education*, striking down state laws that sanctioned racial segregation of public schools, marked the dawn of the modern civil rights era. All of the legislation and public policies mandating equal treatment and opportunity that followed are traceable in one way or another to *Brown*. They stand in stark contrast to the policies of governmentally fostered or tolerated racial segregation and inequality that previously pervaded American life. When massive resistance by southern states to the *Brown* decision stymied the progress of civil rights and social justice over the next ten years, Congress passed comprehensive remedial legislation.

The modern civil rights movement accelerated in the 1960s, with passage of the 1964 Civil Rights Act. The Act outlawed discrimination in any place of public accommodation. Title VII of the act prohibited discrimination in private employment, and was amended in 1972 to cover employment in federal, state, and local government. Similarly, the Voting Rights Act of 1965 banned tests and devices that had been used to disenfranchise racial minorities.

There can be no doubt that the sociopolitical status of black Americans has changed fundamentally since *Brown* and subsequent judicial, legislative, and executive actions. Thus, in theory, at least, blacks now enjoy the same citizenship rights and protections as white Americans. Further, the society in general has evinced more commitment to the principle of equal opportunity and less tolerance of the blatant exclusionary practices and racial abuses of the past. On the other hand, blacks have learned that they cannot take for granted the fulfillment of the promises of progress suggested by these developments. Racism and discrimination are still very much a part of the body politic.

The recent wave of racially motivated attacks against blacks is poignant evidence of their continued insecurity and the fact that blacks have yet to be fully accepted by the dominant white society. Thus, the widely publicized decision of the New Orleans police chief to confront and question blacks observed in white neighborhoods revisited the practices of "Bull" Connor and other law enforcement officials in the Jim Crow South. The experiences of the black cadet at the Citadel as well as those of black students on a growing number of predominantly white college and university campuses also demonstrate a resurgence of racism in the nation. And the infamous Howard Beach incident of 1986 rivals the most flagrant anti-black violence of the Ku Klux Klan in the 1920's.

Equally, if not more disturbing is the recent withdrawal of the federal government from its mandated responsibility to ensure the well-being of black Americans and other historical victims of discrimination. Indeed, the present national administration has aggressively sought to reverse many of the gains that have been achieved in the civil rights arena and, by these actions, has promoted a broader based climate of reaction and retrenchment. Since 1981, we have witnessed a progressive weakening of the federal government's civil rights enforcement authority, a reduced federal capability to execute enforcement mandates, and a broad scale campaign to undo successful voluntary efforts to eradicate discrimination. The new regressive orientation was perhaps best epitomized by the reconstitution of the United States Commission on Civil Rights in 1983. Established in 1957 as the federal government's only independent fact-finding and investigatory civil rights agency, the Commission is now little more than an instrument to promulgate the Administration's reactionary views.

Thus, in this the thirty-fourth year after *Brown*, the cause of civil rights and social justice is gravely imperiled, while the status of black Americans continues to be distinguished by deep social, economic, and political inequalities. The National Urban League is determined to meet this new challenge. Together with other progressive-minded organizations and individuals, the League will redouble its efforts "to lay the foundations for a Great Awakening that brings our society to a higher stage of fulfillment of the potential of all our people."[1] Not only the future of black America, but also the welfare of the nation as a whole is at stake.

THE LEAGUE AND CIVIL RIGHTS

Throughout its history, the National Urban League has demonstrated a firm resolve to secure civil rights and social justice for black Americans. At its inception in 1910, the League championed the cause of the masses of southern blacks who fled the entrenched, legally

sanctioned system of racial discrimination and deprivation of that region in search of a better life in the North. The League vigorously advocated their interests, helped them to overcome the more covert forms of discrimination extant in the new environment, and provided a range of direct services to support the social and economic well-being of the migrants.

In more recent times, the League's leadership and foresight in directing the modern civil rights movement have contributed greatly to the movement's success. In 1964, for example, the League convened an historic meeting of more than 350 representatives of various national black organizations and agencies to discuss the emerging civil rights agenda and implementation strategies. The Community Action Assembly critically assessed the civil rights and social justice initiatives of the Great Society to ensure adequate black participation in both their design and operation.

The League has not wavered in its role as a gadfly to the nation on civil rights issues. Through the conduct and dissemination of research on the contemporary black condition, incisive advocacy on behalf of our constituents, and vehement opposition to developments that would further jeopardize black America, we have remained forthright in our commitment to advance racial justice.

There is perhaps no more compelling example of the League's unqualified dedication to realizing the society's egalitarian ideal than our prominent role in defeating the nomination of Judge Robert Bork to the U.S. Supreme Court. At the national and the local levels, the League galvanized the black community, mobilized coalitions of like-minded advocacy groups, and otherwise supported the successful effort to oppose the nomination. History will undoubtedly record the defeat of Judge Bork as a signal achievement in the preservation of basic civil rights. Nonetheless, there is much more to be done if Dr. King's vision of racial equality is to become more than a dream.

PRESENT CONDITIONS

The civil rights movement generated an impressive amount of judicial, legislative, and executive activity to combat illegal discrimination in all areas of American life. The longstanding subordination and unequal treatment of black Americans was the central target. That these conditions persist attests to the peculiar intransigence of American racism as well as the sheer magnitude of the inequalities blacks have faced. An examination of the contemporary condition of blacks in the

critical areas of voting, education, employment, and housing is particularly instructive.

Voting

The Voting Rights Act of 1965 enabled blacks to make impressive progress in political participation. Among other things, the Act struck down poll taxes, literacy tests, residence registration requirements, "grandfather clauses," and similar techniques that had traditionally been used to disenfranchise black citizens.[2] An immediate result of these changes was a dramatic increase in black voter registration. By December 1967, just 17 months after the Act was passed, black voter registration in the covered states had risen by more than 700,000 persons. By 1981, the registration rate among black voters had jumped to 50 percent, or double the rate that prevailed before the new law took effect. A concomitant increase occurred in the number of blacks elected to political office.[3]

However, these gains were far from what they could have been, and currently the political empowerment of black Americans falls well below its potential. Many jurisdictions instituted subtler, more sophisticated methods to limit black voter registration than those applied in the past. The new methods entail "registration procedures that impose disproportionate informational, psychological, logistic, and sociological burdens on minorities..."[4]

Even more consequential than the new discriminatory voter registration practices is the technique of redistricting and reapportionment, under which the black vote is diluted by changing the boundaries of voting districts and legislative jurisdictions. By the same token, at-large elections effectively undermine black voting strength. In states and localities around the country in which there is a sizable black electorate, redistricting, reapportionment, and at-large elections have been widespread. Thus, even though the number of black elected officials increased by six percent from 1985 to 1986, blacks still hold less than 2 percent of the nation's elective offices. This political underrepresentation is largely attributable to deliberate attempts to weaken the black vote.[5] In any event, the present enfranchisement status of blacks falls far short of that envisaged in the 1965 Voting Rights Act.

Education

In *Brown*, the U.S. Supreme Court abolished the "separate but equal" doctrine and established equality of educational opportunity as the law of the land. However, segregated education for blacks continues

to be widely prevalent. The 25 largest city school systems in the nation have majority minority student populations. More tellingly, over 80 percent of black children are educated in fewer than four percent of the nation's school districts.[6] Desegregation of the nation's public schools, then, has not progressed nearly to the extent that the court contemplated in 1954. Black Americans are still largely "separate."

Nor is the education of blacks "equal." Predominantly black inner-city schools continue to be plagued by under-financing inferior facilities, mediocre instruction, and prejudicial attitudes toward black students. As the Children's Defense Fund observes:

> Wealthier localities are much more likely to provide their schools with more resources and better qualified teachers. Even in New Jersey, which has attempted to compensate for these local variations, per-pupil spending levels range from a low of $3,404 per pupil in a poor urban district to $5,284 per pupil in a wealthy suburban district.[7]

Such conditions adversely affect the educational achievement of black students. Thus, blacks lag well behind whites on standardized scholastic tests; they drop out of school at a higher rate; they are less likely to enroll in institutions of higher education and even less likely to complete a college degree. The list could go on.[8] Suffice it to say that overcoming educational inequities and inequalities remains among the most serious challenges confronting black Americans. To do so requires eliminating the discriminatory policies and practices that continue to exist in the education area.

Employment

Title VII of the 1964 Civil Rights Act outlawed employment discrimination based on race, national origin, religion, or sex. Consistent with Title VII, Executive Order 11246 prohibits discrimination in employment by federal contractors and requires them to take affirmative action in the hiring, promotion, pay, and training of historical victims of discrimination. Such action is to include the use of numerical goals and timetables. Both the Executive Order and the Title VII legislation were principally driven by the persistent and pronounced unemployment, underemployment, and occupational underrepresentation of blacks in the nation's economy, owing to the continued presence of race discrimination as well as the effects of past discriminatory treatment. While substantial progress has been made, these disadvantages have not been overcome.

Blacks continue to experience disproportionately high unemployment rates, and the black/white unemployment gap has been widen-

ing. In 1960, the ratio of black-to-white unemployment was 1.8:1; by 1983, it had climbed to 2.4:1.[9] The average unemployment rate of blacks in 1986 was 14.5 percent, or almost 2.5 times the rate of whites.[10] Blacks are underrepresented in managerial, professional, and technical occupations, while being decidedly overrepresented at the lower end of the occupational ladder. In 1986, 23 percent of employed blacks were classified as service workers, compared to just 12 percent of the white workforce. And even when blacks occupy the same occupational categories as whites, they enjoy significantly lower pay rates.[11]

The magnitude and persistence of statistical differentials between blacks and whites in the employment area are prima facie evidence of racial discrimination. In addition, violations of the provisions of Title VII and EO 11246 are commonplace and incontrovertible proof that employment discrimination is still a problem.[12]

Housing

Discrimination against blacks with respect to place and type of housing persists despite the Fair Housing Act of 1968, albeit in less overt forms. A common strategy used presently to manipulate black housing patterns and maintain racial segregation is "steering." This practice consists of directing blacks to minority neighborhoods in their housing search or withholding listings of certain available housing. Minorities are also subject to higher sales or rental prices, larger down payments, longer waiting periods, and higher interest rates.[13] In fact, a 1979 HUD study estimated that 75 percent of black homeseekers encounter discrimination when looking in the rental market and 48 percent in the sales market.[14] These factors undoubtedly contribute to the comparatively low level of black home ownership. Thus, about 45 percent of blacks own their own home, compared to 69 percent of whites.[15]

There are also housing policies which, although seemingly benign, have adverse effects on minority access to equal housing. Notable of these types of policies are those that restrict housing to adults — only. A 1980 HUD study found that 25 percent of all rental units in the U.S. did not allow children, and another 50 percent had restricted the ability of families with children to rent units.[16] This type of policy has a particularly negative effect on minority families, which are more likely to be composed of women and children than are white families. It is evident, then, that even policies that appear "color-blind" can have racist effects and outcomes.

RECENT POLICY INITIATIVES

That racial discrimination continues to limit the advancement of black Americans in vital areas of life is beyond dispute. It is equally clear that true racial justice in this society cannot be achieved if the federal government does not act aggressively and consistently to eliminate ongoing discriminatory practices and to overcome the lingering effects of past discrimination. In particular, the executive branch of government has the statutory obligation and responsibility to ensure that the cumulative body of civil rights law and principles are faithfully adhered to in all sectors of the body politic. Until recently, under both Democratic and Republican administrations, civil rights and social justice were well served by the federal offices and agencies mandated to enforce and advance them. Under the Reagan Administration, however, a blatantly reactionary, regressive approach has been pursued.

Since 1981, the Reagan Administration has waged a broad-based campaign to check progress in the civil rights arena, even to the extent of disregarding the law. Spearheaded by the U.S. Justice Department and its Civil Rights Division, this campaign has sought to change the fundamental concept of civil rights and the precepts that have informed it through the years. In this connection, the Administration's effort to abolish the use of numerical data as evidence that discrimination may exist is instructive. Even though the courts have repeatedly affirmed the validity of numerical indicators, the Administration has not relented in its opposition to their application. [17]

A related regressive change in approach that has had farreaching adverse consequences is the Administration's substitution of the "intent" test for the "effects" test of illegal discrimination. The intent test, which requires a determination of discriminatory motivation, is a much more restrictive and elusive standard. In abandoning the effects test, the Administration has defied the will of Congress and severely hampered efforts to uncover and rectify discriminatory conduct.

> The courts have recognized that Congress' intent in enacting laws against discrimination in employment, housing, and other areas was to combat the "consequences" of discrimination, "not simply the motivation;" as the courts have explained, even discrimination not caused by blatant prejudice "can be as disastrous and unfair to private rights and the public interest as the perversity of a willful scheme."[18]

The Administration's detrimental actions reflect a view that American society is now "color-blind" in respect to the treatment of its minority citizens. Where discrimination does occasionally occur, accord-

ing to this perspective, offenders will voluntarily correct themselves. Thus, there is no longer any need for affirmative measures of redress nor for aggressive enforcement activity. Such sentiments have distinguished the Administration's performance in the voting, education, employment, and housing areas.

Voting

The Administration's opposition to the 1982 extension of the Voting Rights Act was consistent with its general recalcitrance toward the pursuit of civil rights. In particular, the Justice Department's attempt to block the incorporation of two key strengthening features into provisions of the Act was revealing. Section 2 prohibits voting laws that have discriminatory "results," irrespective of intent, while Section 5 requires that jurisdictions having a history of voting discrimination obtain, from either a federal court or the Justice Department, pre-clearance for any changes in their election and voting laws. Committed to eliminating continuing infringements on minority voting rights, Congress wisely repudiated the Department's largely procedural arguments against the strenghtening amendments.

Nonetheless, in clear defiance of congressional intent, the Civil Rights Division failed to file any new lawsuits to enforce Section 2 for some 18 months after the amendments were passed. To the contrary, in a North Carolina case, *Thornburg v. Gingles*, the Division filed a brief in the U.S. Supreme Court to limit the protections of Section 2. This action signalled a dramatic departure from the Justice Department's traditional practice of supporting minority voters.[19]

Similarly, the Justice Department has defied the will of Congress in failing to faithfully execute Section 5 of the Act. For example, the Department pre-cleared Louisiana's realignment of state congressional districts "despite substantial evidence that it was discriminatory."[20] A federal court subsequently disallowed the state's plan when presented this same evidence. Clearly, then, the Department did not require the state to demonstrate nondiscrimination as the law provides. Likewise, the Department pre-cleared a North Carolina reapportionment plan that threatened to weaken black voting strength through at-large voting and by denying black voters voting majorities. This plan, too, was invalidated by the courts.

In short, this administration has shown a callous disregard for the will of Congress and the rule of law vis a vis the voting rights of blacks and other minorities. Fortunately, judicial actions have limited the success of its schemes.

Education

No issue is more symbolic of black Americans' drive for racial equality than school desegregation. Yet, the Reagan Administration has, since its inception, sought to undermine existing law rather than comply with the mandate of *Brown* and related congressional legislation. The enforcement of the school desegregation law under past administrations included aggressive attacks against all forms of *de facto* segregation. In contravention to this practice, the current administration has stated that "it will not 'intrude' into educational decision-making by school officials and that it will act only where inferior educational services are 'deliberately provided' to segregated schools."[21] This position was evidenced in *Vaughns v. Board of Education of Prince Georges County* and *Riddick v. School Board of Norfolk,* where the school boards' practices had been proven discriminatory, but were allowed to stand because the Justice Department deemed them not purposeful. By using this "intent" instead of the "effects" test, only *de jure* (by law) discrimination is considered actionable.

The Administration's narrow conception of civil rights in the education area was also exemplified in *Bob Jones University v. United States.* In 1975, the IRS, based on its policy against granting tax exempt status to discriminatory institutions, revoked the university's exemption. In 1982, the Justice Department, siding with Bob Jones, sought to have the IRS ruling overturned by the Supreme Court. The effort failed. As the Court observed:

> The correctness of the commissioner's conclusion that a racially discriminatory private school is not "charitable" within the common law concepts reflected in . . . the code, . . . is wholly consistent with what Congress, the Executive and the Courts had repeatedly declared before 1970. Indeed, it would be anomalous for the Executive, Legislative and Judicial Branches to reach conclusions that add up to a firm public policy on racial discrimination, and at the same time have the IRS blissfully ignore what all three branches of the Federal Government had declared.[22]

The Administration's actions subsequent to *Bob Jones* have been consistent with its conduct in that case. Thus, Administration officials voice commitment to educational equality, while taking actions that would forestall it.

Employment

The Administration's performance in the employment area has been marked by moves to stifle the objectives of Title VII and ancillary legislative provisions and to reverse preexisting initiatives to mitigate

the effects of historical discrimination. The Justice Department's categorical opposition to race-conscious remedies, in the face of established judicial, legislative, and executive support for same, is especially noteworthy. The Department has insisted that remedies be "color-blind," despite the prevailing view that color-blindness is ineffective. The Department has not only failed to pursue race-conscious remedies, but also has sought to undercut existing affirmative action initiatives. Thus, the Civil Rights Division encouraged 50 jurisdictions around the country to reopen settled decrees, many of them voluntary, reasoning that "Title VII limits relief to those actual victims of discrimination who can be located and brought into court and who are still eligible and interested in the job from which they were excluded."[23] The Supreme Court's narrow decision in the *Stotts* case gave added impetus to this campaign.

Instead of pressing the case for racial minorities, the Administration has promulgated the concept of "reverse discrimination," emphasizing the "rights" of white males. For example, in *Paradise v. Prescott*, the Justice Department has fought against an affirmative action plan under which one minority for each nonminority would be promoted in the Alabama State Patrol until each upper rank achieved 25 percent minority representation. While allowing that the State Patrol practiced blatant discrimination in the past, the Department has argued that "affirmative action may not be used as a 'catch up' measure to remedy longstanding racial imbalances in the upper ranks, even though such imbalances are the result of past discrimination."[24]

The Administration's efforts have not been limited to court challenges. Thus, in 1985 the Justice Department advanced an ominous proposal to amend Executive Order 11246. This longstanding initiative requires federal contractors to develop numerical goals and timetables for employing minorities. The Department's proposal would remove this requirement. Of course, the Administration would have the public believe that it has been rigorously enforcing employment discrimination statutes and regulations.[25] However, it is clear to any objective observer that such is not the case.

Housing

Whereas between 1969 and 1978, 300 cases and 26 enforcement proceedings had been brought under the Fair Housing Act of 1968, by 1983, under the Reagan Administration, only 6 cases had been brought. Since 1983, the Department of Justice has filed fewer than 18 housing suits per year—close to a 50% decrease from the number brought per year before 1980.[26] Even these cases are often severely delayed with respect

to their processing. In addition, violations of the Fair Housing Act had historically been defined by the federal courts and Congress to be actions that had racially unequal results due to the many subtle discriminatory techniques that had been used over the years. In this area, too, the Justice Department has consistently attempted to substitute intent for effect in defining and challenging illegal discrimination. Such was the case, for example, in the Department's suit against Birmingham, Michigan.

Previous proven methods of eliminating housing discrimination have been abandoned under the current enforcement structure. The Justice Department has also disregarded the prior requirement that defendants take affirmative steps to remedy the results of housing discrimination, and now requires little more than a halt to discriminatory practices. The House Committee on Government Operations reported in 1987 that, even after cases are resolved, there often is no monitoring to ensure the effective implementation of the remedy.[37] In cases like *Shimkus v. The Gersten Companies, Inc.*, the Civil Rights Division has even sided against the minorities who brought suit.[38]

POLICY RECOMMENDATIONS

With the *Brown* decision, this nation set out on a singular course to resolve the perennial "American Dilemma," to close the gap between the realities of sociopolitical life for black Americans and the society's egalitarian ideals. The drive toward racial justice accelerated momentously in the 1960s, as blacks made it clear that nothing less than "deliberate speed" would be acceptable. The ensuing progress was impressive by any standard. Strong leadership by the Executive Branch, forthright action by the Congress, and progressive rulings by the Judiciary combined to produce the gains. As we have seen, however, this essential triadic partnership in the cause of civil rights and social justice has been severely ruptured under the Reagan Administration.[39]

In all matters of vital national significance, it is incumbent upon the President and his administration to set the correct moral tone and inspire public commitment. Equally important, the Executive Branch must faithfully enforce the law as enacted by Congress and interpreted by the courts. Nowhere have these mandates been more critical than in the area of civil rights. Rather than fulfilling them, as previous administrations have done, the Reagan Administration has unilaterally sought to fundamentally redefine the concept of civil rights and the federal government's responsibility to advance them. There is no question that the Administration's efforts, marked by defiance of congres-

sional intent and circumvention of court resolutions, have been harmful to blacks and other racial minorities. The damage must be set right.

Because of the regressive developments in recent years, the next President will inherit a seriously weakened civil rights enforcement authority, a reduced enforcement capability brought on by decreased funding, and a federal bureaucracy that has been made to operate in a reactionary mode for nearly a decade. If there is to be further advancement toward racial equality, these conditions must be rectified. In addition, the National Urban League makes the following policy recommendations:

Voting

- That Section 2 of the 1965 Voting Rights Act, as amended in 1982, be administered and enforced consistently and without qualification.

- That Section 5 of the 1965 Voting Rights Act, as amended, be administered and enforced rigorously and without exception among the covered states.

Education

- That *de facto* school segregation be re-established as sufficient and compelling grounds for desegregation enforcement actions.

- That affirmative relief of segregated conditions, as well as cessation of observed discriminatory practices, be required of all offending school districts.

Employment

- That Executive Order 11246, requiring the use of minority employment goals and timetables by federal contractors, be maintained in its present form and more strongly enforced.

- That the application of statistical data to determinations of employment discrimination be sustained and strengthened.

Housing

- That the Fair Housing Act of 1968 be strengthened by augmenting its enforcement provision and, more specifically, by enabling

the Department of Housing and Urban Development to press discrimination cases on behalf of individual families.

- That the "effects" test be restored as the principal standard by which housing discrimination is defined and redressed.

FOOTNOTES

[1]John E. Jacob, "Black America in 1987: An Overview," in Janet Dewart (ed), *The State of Black America 1988* (New York: National Urban League, Inc., 1988), p. 6.

[2]Albert P. Blaustein and Robert L. Zangrando, *Civil Rights and the Black American: A Documentary History* (New York: Washington Square Press, 1968), pp. 566-571.

[3]Julius L. Chambers, "The Law and Black Americans: Retreat from Civil Rights," in Janet Dewart (ed), *The State of Black America 1987* (New York: National Urban League, Inc., 1987), p. 18.

[4]Ibid., p. 19.

[5]Georgia A. Persons, "Blacks in State and Local Government: Progress and Constraints," in Janet Dewart (ed), *The State of Black America 1987* (New York: National Urban League, Inc., 1987), pp. 167-192.

[6]Sharon P. Robinson, "Taking Charge: An Approach to Making the Educational Problems of Blacks Comprehensible and Manageable, in Janet Dewart (ed), *The State of Black America 1987* (New York: National Urban League, Inc., 1987), pp. 31-36.

[7]*A Children's Defense Budget, FY 1988* (Washington, D.C.: Children's Defense Fund, 1988), p. 141.

[8]See, Linda Darling Hammond, *Equality and Excellence: The Education Status of Black Americans* (New York: The College Board, 1985).

[9]Betty Collier Watson, "Understanding the Debate Over Public Policy" (Washington, D.C.: National Urban League Research Department, 1986).

[10]David H. Swinton, "Economic Status of Blacks in 1987," in Janet Dewart (ed), *The State of Black America 1988* (New York: National Urban League, Inc., 1988), p. 144.

[11]Ibid., pp. 147-149.

[12]Official estimates of such violations probably understate their true incidence. With this in mind, see, U.S. Department of Justice, Civil Rights Division, *Enforcing the Law: January 20, 1981-January 31, 1987* (1987).

[13]*Reagan Civil Rights: The First Twenty Months*, Washington, D.C.: The Washington Council of Lawyers, 1982), pp. 8-9

[14]U.S. Department of Housing and Urban Development, Office of Policy Development and Research, *Measuring Racial Discrimination in American Housing Markets: The Housing Market Practices Survey*, ES-2 (1979).

[15]U.S. Census Bureau, *General Housing Characteristics, United States Summary* (Washington, DC: U.S. Government Printing Office, 1983).

[16]Leadership Conference Education Fund, *Civil Rights Monitor,* Vol. 2, No. 4 (June/July 1987), p. 2.

[17]For a useful background discussion on the use of statistical data, see, U.S. Commission on Civil Rights, *To Know or Not to Know* (Washington, DC : U.S. Government Printing Office, 1973).

[18]*Reagan Civil Rights,* op. cit., pp. 19-20.

[19]Ibid., pp. 34-35.

[20]Muriel Morisey Spence, "In Contempt of Congress and the Courts: The Reagan Civil Rights Record" (Washington, DC: American Civil Liberties Union), p. 6.

[21]*Reagan Civil Rights,* op. cit., pp. 28-29.

[22]Quoted in Spence, op. cit., p. 11.

[23]Chambers, op. cit., p. 23.

[24]Ibid., p. 25.

[25]See, U.S. Commission on Civil Rights, *Federal Enforcement of Equal Employment Requirements,* Clearinghouse Publication 93, July 1987. Also, U.S. Department of Justice, Civil Rights Division, *Enforcing the Law: January 20, 1981-January 31, 1987,* (1987), Section IV.

[26]*Civil Rights Monitor,* op. cit., p. 1.

[27]Ibid., p. 8.

[28]The Lawyers' Committee for Civil Rights Under Law, Statement to the Senate Judiciary Committee on the Nomination of William Bradford Reynolds for Associate Attorney General (June 4, 1985), pp. 22-23.

[29]As of this writing the President has vetoed the Civil Rights Restoration Act of 1987, which restores the full reach of four civil rights laws limited by a 1984 Supreme Court decision, *Grove City College v. Bell.* The Court held that the protections of these civil rights laws only affected the specific "program or activity" that receives federal funding. Before the 1984 decision entire institutions were held accountable under these statutes. Fortunately, the Congress, which passed the Restoration Act by a wide margin, overrode the President's veto action.

Employment and Training: Toward the Year 2000

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INTRODUCTION

There is no question about the salutary benefits of gainful employment for persons who are able and willing to work. In a society that relishes the work ethic, having a job is integrally and inextricably associated with one's sense of self-worth, dignity, and independence. Conversely, joblessness can have profoundly adverse sociopsychological as well as economic consequences for individuals and families. The costs of unemployment are all too familiar to black Americans, who continue to be highly vulnerable to the vicissitudes of the nation's economy and subject to discrimination in the labor market. In addition, a substantial segment of the black working age population are finding themselves seriously unprepared to compete for the growing numbers of jobs that require high level technical and professional skills. Many blacks respond to these exigencies by dropping out of the labor force.

Unemployment remains a critical problem in black America. Its direct and indirect effects on the well-being of black individuals and families cannot be overemphasized. Dependency, emotional disturbance, and family disintegration are just a few of the acknowledged consequences. At the community level, the wide prevalence of drug abuse, black-on-black crime, and economic deterioration are closely linked to the persistence of high jobless rates. Clearly, much more needs to be done to improve the employment situation of black Americans. The National Urban League has been adamant in documenting and expounding the continuing need.[1]

However, concern about black unemployment should not be limited to blacks themselves. To the contrary, the society as a whole has a vital stake in alleviating the problem and otherwise ensuring that the

nation's employment and training system effectively accommodates the needs of the black workforce. Part of the stake, of course, is the tremendous outlays of public funds to support economically dependent individuals and families and to combat the social problems, such as crime and delinquency, that so often accompany economic deprivation. It would be far better to invest in self-sufficiency and, thereby, expand the numbers of productive, tax-paying citizens.

Perhaps the more compelling national interest is the need to ensure that the future demands of the nation's economy can be met. As we move toward the year 2000, this concern is forced by the interplay between two inexorable developments—the post-industrial transformation of the American economy and the changing demographic composition of the labor force. The economy continues to shift away from manufacturing to high tech and service-producing industries. The high tech fields, in particular, require well trained, highly skilled workers. Concomitantly, the racial composition of the nation's working age population is rapidly changing. Thus, by the next century, one of every three American workers will be black or other minority. Of the 22 million new persons who are projected to enter the labor force during the next decade or so, 11.9 million or 57 percent are expected to be black or other minority.[2]

These observations make it clear that employment and training strategies vis a vis black Americans deserve priority attention. In order for the nation to ensure a viable supply of labor, policymakers must plan forthrightly today for the labor market of tomorrow. In the meantime, other dimensions of the black unemployment crisis mandate more effective public policies than those that are presently in place.

THE LEAGUE AND BLACK UNEMPLOYMENT

The Urban League is reknown for its efforts in the employment and training area. Indeed, no other nonprofit organization has more experience or a better record of success in serving the employment and training needs of blacks and others among the economically disadvantaged. The original formation of the League, more than three-quarters of a century ago, was driven by the dire need to aid black southern migrants to obtain jobs in the northern industrial centers and to ensure that those who needed it received preparation to participate in the new labor market. At the outset, such programmatic initiatives were accompanied by a forceful advocacy campaign to remove the racial barriers so prevalent during this historical period, and otherwise to expand employment opportunities for black Americans. This priority attention to employment-related issues has not waned in the intervening years.

Presently, the League operates a broad range of employment-related programs and services, concentrating on job development, job placement, and skills training. Various support services are also provided to needy individuals. Many thousands of individuals receive the League's services annually. For instance, in 1987, the League's network of Information Processing Training Centers alone trained *and* graduated 5,886 participants.

The National Office both supports the program operations of Urban League affiliates and sponsors direct service delivery programs in the employment area. The Community Based Organizations Partnership Program (CBOPP), for example, provides technical assistance to affiliates in the development, management, and delivery of job training and ancillary support services. The NUL's Seniors in Community Service Program (SCSP) provides part-time subsidized community service jobs and training to upgrade or develop the skills necessary for elderly poor persons to enter the unsubsidized labor market.

Through our ongoing research and publishing program, presentations before congressional hearings, and other means, the League has continually documented and informed the American public about the black unemployment problem in its various dimensions. Thus, the *Quarterly Economic Report on the Black Worker* regularly monitors the relative employment status of blacks and analyzes factors that influence it. Similarly, *The State of Black America*, the League's annual assessment of the black condition, provides an indepth examination of employment and related issues.

In short, the League is firmly committed to a sustained, multifaceted attack on black unemployment. We will not relax these efforts until black Americans have achieved an equitable position in the nation's economic mainstream.

PRESENT CONDITIONS

The current employment status of black Americans is, in absolute and relative terms, cause for grave concern. To be sure, the overall black jobless rate, like that for the nation as a whole, has declined significantly in the past few years. On the other hand, there has been no abatement in the longstanding black/white unemployment gap. Also, the welcomed reductions in black unemployment are tempered by the fact that official estimates of black joblessness substantially understate the magnitude of the problem. The National Urban League's Hidden Unemployment Index provides a more realistic, less optimistic measure of its incidence.[3] Further, the employment gains that have occurred

recently were necessary merely to return blacks to the conditions that obtained before the Reagan Administration took office.[4]

According to the Bureau of Labor Statistics, the black unemployment rate in 1987 was 13 percent, compared to 5.3 percent for white Americans.[5] Thus, black workers were unemployed at about 2.5 times the rate of their white counterparts. More than three out of ten black teenagers were jobless, as against slightly more than one out of ten white teens. It is instructive to note that blacks were not only more likely to be jobless, but also tended to be unemployed for longer periods of time than white workers. Thus, the average duration of unemployment for blacks was 16.4 weeks, compared to 14 weeks for whites. Some 17 percent of the jobless blacks were out of work for 27 weeks or longer.[6]

Forty percent (40%) of black male workers who worked part time did so involuntarily—i.e., they wanted to work full time—compared to less than a quarter of white male part time workers. Similarly, 34 percent of black female part timers wanted full time work, while only 15 percent of their white counterparts did.

Data on labor force participation are equally disturbing. In particular, only 42 percent of black teenagers were in the labor force, or 16 percent less than the proportion of whites. Overall, more than 17 percent of blacks who were out of the labor force in 1987 wanted a job, compared to less than eight percent of whites. Blacks were three times as likely as whites to be out of the labor force because they did not think they could get a job, the "discouraged worker" phenomenon.[7]

Such comparisons do not even begin to tell the full story about the relative employment condition of black Americans. For example, irrespective of their educational attainment, blacks are much more likely than whites to experience unemployment. In fact, the black/white unemployment gap is larger among college educated than among high school dropouts. Hence, contrary to popular belief, lack of human capital does not fully account for the high levels of joblessness among black Americans.[8]

Similarly, the disproportionate incidence of black unemployment occurs across occupational categories. Thus, the overall ratio of black-to-white unemployment among white collar workers is about 2.6:1. The differential is even larger within subclassifications of the broader white collar category.[9] Indeed, some types of black administrators and managers are 4.5 times more likely to be hit by unemployment than their white counterparts.[10]

The pervasive disproportionality of black unemployment is compelling evidence of racial discrimination in the labor market. The racial factor is manifest in wage rates and earnings as well. Overall, full time black workers averaged almost 22 percent less earnings in 1987 than their white counterparts.[11] The dual problems of unemployment and underemployment combine to severely limit the economic well-being of black Americans. Thus, arguments that racial discrimination in employment is no longer a potent force are essentially groundless.[12]

While aggregate levels of black unemployment average two to two and one-half times the rates of white unemployment, black unemployment has been even more sensitive to fluctuations in the national economy. When the economy is expanding, black unemployment declines, but at a lesser rate than white unemployment. Conversely, when the economy moves into recession, joblessness increases more rapidly among blacks than it does among the white work force. Thus, the use of fiscal policy to stabilize the economy is a strategy of particular significance to black Americans. More generally, economic theories regarding the role of government in reducing the volatility inherent in the American economy and stimulating growth are a crucial concern. Such theories have greatly influenced the form and functioning of the nation's employment and training system over the years. The economic ideology and consequent policy initiatives of the Reagan Administration are especially noteworthy. On balance, black Americans have realized little benefit from these measures.

RECENT POLICY AND PROGRAM INITIATIVES

The legislative framework for the addition of employment and training programs to the domestic policy agenda was well in place by 1965. For example, the Manpower Development and Training Act (MDTA) had been passed in 1962. The Civil Rights Act of 1964 included Title VII, which expressly called for equal employment opportunities for all Americans. Some human resource development programs were implemented. The 1964 Equal Opportunity Act provided the basis for a broad range of programs designed to address both the causes and correlates of poverty.

As the elections of 1968 approached, human resource development programs had emerged as a consequence of several ideological tenets:

- the belief that unemployment, underemployment, and poverty were related to structural changes in the society;

- the belief that such macroenvironmental forces reflected themselves in the life chances of individuals;

- the belief that different clusters of persons had different human resource development needs; and

- the belief that while the private sector, community action groups, etc., ought to be involved, the federal government ought to provide leadership in such efforts.

The election of President Richard Nixon brought with it a different economic and social ideology. In the first place, President Nixon embraced the view that there exists only minimal need for federal intervention in the economy. This view led him to disagree with many of the economic policies and programs of his predecessors. While the Kennedy/Johnson Administrations had developed public policies to increase employment and reduce poverty, President Nixon entered office with an agenda designed to reduce inflation. Thus, the policies adopted by the Nixon Administration actually increased unemployment.[13] Pressed to do something about the problem, President Nixon signed the Emergency Employment Act of 1971 (EEA). This Act provided funding to local governments for the hiring of unemployed labor force participants. In order to address the broader needs of the country as a whole, the Comprehensive Employment and Training Act (CETA) was passed some two years later.[14]

The CETA program was, indeed, comprehensive, encompassing in one legislative act all of the existing human resource programs. In accordance with the prevailing ideology, it also decentralized the administration of these programs. Moreover, the CETA program represented an important federal commitment to *employment* as well as training by including funding for public service jobs.

When President Carter took office, expansionary fiscal and monetary policies had already been adopted in order to shift the country out of the 1974-75 recession. The Tax Reduction Act of 1975 had been passed, federal spending had increased by 10%, and growth in the money supply had virtually doubled. President Carter continued such policies, which were designed to reduce cyclical unemployment. In order to address structural unemployment—i.e., unemployment brought on by structural changes in the economy—the Carter Administration was successful in negotiating the passage of the Youth Employment and Demonstration Projects Act of 1977 (YEDPA).[15] This Act was designed to target human resource development programs towards youth—a group which had been virtually excluded from many CETA programs.

It was also during the Carter Administration that the legislation authorizing CETA expired. After much debate, the CETA Amendments of 1978 were passed. These amendments expanded CETA coverage to

the handicapped, re-entry workers (basically females who had been out of the workforce), single parents, and ex-offenders. The amendments also tightened the rules for program participation. Additionally, the Administration of the programs was recentralized. Simultaneously, however, efforts were made to involve the private sector in the program. It is of critical importance to note that the Carter Administration continued a trend which had started in the early seventies. This trend was that of focusing CETA activities more upon public service employment and less upon training. However, the Carter Administration, through the Department of Labor, did expand its efforts to include minorities in apprenticeship programs as an additional form of human resource development.

The election of Ronald Reagan signaled the most radical shift in ideology in a twenty-year period. Firstly, President Reagan adhered to the belief that government involvement in the economy should be minimal. Secondly, like President Nixon, President Reagan believed in the decentralization of federal programs. Thirdly, President Reagan advocated supply-side economics. Supply-side economics posits that the level of gross output can be increased through reduced taxes, reduced government spending, less government regulations, and nondiscretionary monetary policy. Each of these beliefs affected the employment and training policies and programs subsequently enacted by this administration.

During the height of the 1981-82 recession, the legislation which provided funding for the CETA program again expired. President Reagan vigorously opposed the continuation of the CETA program. Furthermore, he initially opposed the creation of a publicly funded replacement program. The Administration believed that unemployment was a consequence of wages which surpassed the level of productivity of some workers. However, increasing unemployment and the perception within Congress that large numbers of persons were, indeed, structurally unemployed led to the 1983 passage of the Job Training Partnership Act (JTPA). JTPA remains the centerpiece of the nation's employment and training system.

In addition to JTPA, the Reagan Administration made other policy and programmatic overtures designed to address America's employment and training needs, in general, as well as the special training need of blacks and other minorities, in particular. In 1983, for example, hearings were held on the pros and cons of a subminimum wage for teenagers as one method of reducing excessive unemployment among this group. Similarly, the Administration supported the creation of enterprise zones by several states. Enterprise zones were viewed as a means of increas-

ing employment and providing on-the-job training for inner-city residents. Finally, special tax measures were proposed to increase private sector employment as a substitute for counter-cyclical public service employment programs, such as those which had been embodied in CETA.

Supply-side economics appears to have failed as a form of employment policy. The 1982 tax cuts did *not* increase output and employment. Indeed, corporate profits after taxes were greater from 1979-1983 than at any other point in recent history. Yet, changes in real Gross Domestic Product of non-financial corporate businesses increased at an average rate that was *lower* than before President Reagan took office. Futhermore, from 1980-1984, net business formation declined. Additionally, in direct contradiction to policy objectives, the rate of business failures from 1980-1984 quadrupled. Lastly, the "new fiscal policy" and the absence of revenue increases due to the predicted growth in GNP caused the government debt to increase to its highest peace-time level in history. Since the recovery, unemployment rates have decreased. However, this decrease was generated in part by the stimulative effects of the budget deficit and not by the success of supply-side economics.

The Job Training Partnership Act

As the principal federal initiative to address the employment and training needs of the economically disadvantaged, JTPA has had limited success. [16] For one thing, JTPA has been severely underfunded relative to the need. Thus, in its first six months of operation, JTPA served only 500,000 persons under Title II A (basic adult and youth training) and Title III (the dislocated workers component). This service rate was about 56 percent lower than the service rate of CETA in FY 1981.[17]

Also, in part due to the funding constraint, the targeting of JTPA services has generally been inconsistent with the intent of the enabling legislation. The legislation provides that services be offered "to those who can benefit from, and who are most in need of, such opportunities. . ."[18] Although the definition of need is ambiguous, it is clear that the Congress intended to concentrate on the most disadvantaged segment of the working age population. This emphasis, however, has not been reflected in the actual implementation of JTPA. Rather, the practice of "creaming"—that is, directing services to the most job-ready and, hence, *least* needy—has predominated.[19] Disadvantaged youth have been particularly underserved, despite the fact that 40 percent of each Service Delivery Area's JTPA allocation is prescribed for the youth population.

Another key shortcoming of JTPA is its mandated limitation on expenditures for stipends and support services. The lack of stipends has

been a major barrier, as it limits participation in JTPA programs to those who are able to suppport themselves. Thus, persons who have family or friends to assist them can take advantage of the training programs, as can welfare recipients. However, this leaves a sizeable eligible population who simply cannot afford to participate. Similarly, the limitation on support services restricts what JTPA can do for persons who need such help to function effectively in a training program. Again, the most needy among the eligible population are unable to participate to the extent that they might otherwise.[30]

Finally, under both CETA and other targeted human resource programs implemented in the 1960s and 1970s, community based organizations (CBOs) were integrally involved in the delivery of employment and training services to the economically disadvantaged. Even though the decentralized JTPA system stresses local initiative, the transition to JTPA severely curtailed the degree of CBO involvement.[31] Given the demonstrated capabilities of CBOs to serve the most disadvantaged among us, this diminution of their role in the employment and training area is indeed an unfortunate development. A recent survey of the experiences of local Urban League affiliates is instructive on this issue.[32] For example, the survey disclosed that:

- Seventy-nine percent of the affiliates were represented on the local JTPA Private Industry Council (PIC). This compares with almost a 90 percent representation on the former CETA Prime Sponsor Advisory Councils.

- More than half (51%) of the affiliates indicated that JTPA performance standards were forcing them to serve people with more skills and fewer barriers to employment than they preferred to serve.

- The affiliates cited the prohibition against stipends, the limitation on administrative costs, and the imposition of performance based contracts as the three most consequential infringements on their provision of employment and training services under JTPA.

- More than two-thirds of the affiliates indicated that their employment and training funds had been reduced by at least 30 percent in the transition to JTPA.

- Almost 64 percent of the affiliates revealed that they had not been able to compensate for the federal funding cutback through a corresponding increase of resources from other sources, such as the local United Way.

Despite its serious shortcomings, JTPA is potentially a viable strategy through which to serve the employment training needs of blacks and others among the economically disadvantaged. More generally, federal initiatives in the employment training area are essential to alleviate the continuing problems of unemployment and underemployment among the nation's workforce. On the other hand, while such programs address the supply of labor, it is also crucial that the economy generate sufficient jobs to ensure adequate gainful employment for trained workers. This job creation requirement forces attention to the nation's macroeconomic policy, and particularly to the supply side economic philosophy of the current administration.

As observed earlier, supply side economics has produced limited employment benefits for black Americans.[33] Of course, the Reagan Administration would challenge this assessment by pointing to both the absolute decrease in black unemployment since 1982 and the total number of new jobs that have emerged in recent years. However, these gains are largely accounted for by the stimulative impact of the nation's astronomical budget deficit, and do not represent the salutary effects of a soundly conceived economic policy. Furthermore, the fact is that the rate of new job creation has slowed substantially, contributing to higher average rates of unemployment in the 1980s than in prior years. Additionally, the new jobs that have been created are concentrated at the low end of the wage scale. Some 58 percent of the net new jobs generated between 1979 and 1984 paid less than $7,000 per year. Thus, not only is job availability a major concern among black Americans, but job quality as well. These conditions call for new economic policies to rejuvenate the "great American job machine."[34]

Notwithstanding, more effective use of fiscal and monetary policy is imperative to accommodate the employment needs of the civilian labor force, while genuinely strengthening the national economy. An unstable economy that fails to produce sufficient or sufficiently worthwhile job opportunities can frustrate the objectives of the most carefully designed employment training program. Thus, JTPA, how ever well funded and managed, will realize little success in the long-term if the jobs are not there.

POLICY RECOMMENDATIONS

As the nation moves toward the twenty-first century, employment and training policy and programs will become increasingly important matters. Demographic shifts in the population will continue to interact

with new technological demands and the changing international economic order to raise the probability of a structural mismatch between workers and jobs. Black Americans have a vital stake in the outcome. The nation as a whole has salient interests at risk as well.

In addition to their dubious effects on the contemporary employment problems of blacks, the public policy responses of recent years provide little assurance that the challenges ahead will be met. To the contrary, the progressive disinvestment in human resource development programs since 1980 militates against an optimistic future. This is not to say that JTPA, the cornerstone of the present employment and training system, was completely ill-conceived. In fact, the legislation and the programs it embodies have significant potential to promote the well-being of blacks and others among the economically disadvantaged, as part of a broader strategy of economic stabilization and progress. However, concepts are no better than their implementation, which requires a resource commitment that matches the need, effective targeting of these resources, and operational provisions that facilitate rather than hinder service delivery. Federal employment and training initiatives, in general, and JTPA, in particular, are seriously deficient in all of these respects.

The federal retrenchment from human resource development programs has been accompanied by a de-emphasis on deliberate job creation initiatives, pursuant to the current administration's "trickle down" theory of economic betterment. Missing is a policy commitment *to ensure* that all Americans who are able and willing to work have the opportunity to do so, and at a wage rate that is adequate to meet their living needs. Also, missing is a macroeconomic policy tandemed with specific initiatives geared to redeveloping and expanding the nation's industrial sector in both basic and high tech industries.[35]

Black Americans have been disproportionately hurt by such weaknesses in existing policy approaches. If these weaknesses are not corrected, both the economic future of black America and that of the nation at-large are likely to bring increased hardship. Based on this assessment, the National Urban League makes the following policy recommendations:

Job Training Partnership Act

- That funding for JTPA be increased commensurate with the need for employment training services.

- That the prohibition against training stipends be lifted to enable greater participation.

- That the limitations on expenditures for support services and administrative functions be eased to faciliate more comprehensive and efficient service delivery.

- That the present system of performance standards be modifed such that there is more incentive to serve those who are most in need.

Employment Policy

- That a viable policy of full employment be adopted, consistent with the principles represented in the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978.

- That measures to overcome racial barriers to employment and employment feeder systems be strengthened and more vigorously executed.

National Economic Policy

- That initiatives to reconstitute the nation's industrial infrastructure be pursued as a dominant priority.

- That macroeconomic policies be restructured to promote genuine economic growth rather than growth linked inordinately to deficit spending.

FOOTNOTES

[1]For example, see, Betty Collier Watson, "Understanding the Debate Over Public Policy," (Washington, DC: National Urban League Research Department, 1986); Billy J. Tidwell, *The Black Unemployed: A Disaggregation Analysis* (Washington, DC: National Urban League Research Department, 1986); Douglas G. Glasgow, "Full Employment: A Discussion Paper" (Washington, DC: National Urban League, Washington Operations, 1984).

[2]U.S. Department of Labor, Bureau of Labor Statistics, "BLS Previews the Economy of the Year 2000," News Release, June 25, 1987.

[3]The Hidden Unemployment Index factors in discouraged and involuntarily part-time workers. For a comparison of official and NUL estimates of unemployment, see the NUL's *Quarterly Economic Report on the Black Worker*, Report No. 16 (July 1987).

[4]David Swinton, "Economic Status of Blacks 1986," in Janet Dewart (ed), *The State of Black America 1987* (New York: National Urban League, Inc., 1987), pp. 49-73.

[5]Bureau of Labor Statistics, *Employment and Earnings* (Washington, DC: U.S. Government Printing Office, January 1988).

[6]Ibid., p. 174, Table 15.

[7]Ibid., p. 200, Table 36.

[8]Tidwell, op. cit., pp. 15-18. See, also, William A. Darity, "The Human Capital Approach to Black-White Earnings Inequality: Some Unsettled Questions," *The Journal of Human Resources*, Vol. 17, No. 1 (1982), pp. 74-93.

[9]Tidwell, op. cit., pp. 18-22.

[10]Billy J. Tidwell, "Topsy Turvy: Unemployment Among Black Administrators and Managers," *The Forum*, Vol. 3, No. 1 (February 1987), pp. 1-3.

[11]*Employment and Earnings*, op. cit., p. 216, Table 54.

[12]Darity, op. cit.; also, U.S. Commission on Civil Rights, *Unemployment and Underemployment Among Blacks, Hispanics, and Women*, Clearinghouse Publicaiton 74 (November 1982).

[13]Neil DeMarchi, "The First Nixon Administration: Prelude to Controls," in Crawford D. Goodwin (ed), *Exhortation and Controls: the Search for a Wage-Price Policy, 1945-1971* (Washington, DC: The Brookings Institution, 1975), pp. 295-352.

[14]William Mirangoff and Lester Rindler, *CETA: Manpower Programs Under Local Control.* (Washington, DC: National Academy of Sciences, 1978).

[15]Garth L. Mangum, "CETA as a 'Second Chance' System for Disadvantaged Youth," in Robert E. Taylor et al. (eds), *Job Training for Youth* (Columbus, OH: The National Center for Research in Vocational Education, 1982), Chap. 7.

[16]For a detailed description of the rationale, objectives, and operation of JTPA, see, *The Job Training Partnership Act* (Washington, DC: National Commission for Employment Policy, 1987). Recent critical assessments are provided in Grinker Associates, *An Independent Sector Assessment of the Job Training Partnership Act* (New York: Grinker Associates, Inc., 1986) and Demetra Smith Nightengale, *Federal Employment and Training Policy Changes During the Reagan Administration: State and Local Responses* (Washington, DC: The Urban Institute, 1985).

[17]Nightengale, op. cit., p. 19.

[18]Quoted in *The Job Training Partnership Act*, op. cit., p. 78.

[19]Ibid., pp. 77-78; Grinker Associates, op. cit., pp. 46-64.

[20]Grinker Associates, op. cit., pp. 65-77.

[21]Demetra Smith Nightengale and Carolyn Taylor O'Brien, *Community Based Organizations in the Job Training Partnership System* (Washington, DC: The Urban Institute, 1984).

[33]National Urban League, "The Impact of the Transition from CETA to JTPA on Urban League Affiliates" (New York: National Youth Employment Coalition, 1984.)

[34]For a useful concise critique, see Denys Vaughn-Cooke, "No Recovery in the Economic Status in Black America," *The Black Scholar*, Vol. 16, No. 5 (September/October 1985), pp. 5-13.

[35]Barry Bluestone and Bennett Harrison, *The Great American Job Machine: The Proliferation of Low Wage Employment in the U.S. Economy* (Washington, DC: The Joint Economic Committee, 1986).

[36]*The Polarization of America: The Loss of Good Jobs, Falling Incomes & Rising Inequality* (Washington, DC: Industrial Union Department, AFL-CIO, 1986).

Education: In Search of Equity and Excellence

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INTRODUCTION

Despite the Supreme Court's decision in *Brown v. Board of Education* in 1954, equality of education is still far from being realized by a majority of the nation's black public school students. The public school system is failing to educate many children, particularly those from economically disadvantaged backgrounds which include a large number of black students. This failure is evidenced by the high dropout rate which is more prevalent among black students, as well as by the achievement gap that exists between affluent and poor children and between blacks and whites. Moreover, schools with high concentrations of black and low income children tend to have lower student achievement, fewer fiscal resources, attract less experienced teachers, and often lack community support for their programs or to monitor their performance.

A number of academic research studies and foundation and government commission reports have examined public education in America and made numerous recommendations purported to lead to improvement in the quality of education for all of America's children. They called for various aspects of school reform and touched upon almost every area of schooling. But these reports have missed the mark by their failure to recognize the unique social context of urban education, particularly as it affects black students.

Unless there is immediate action to bring about change that would lead to equity and excellence in schools, black and other minority children will continue to remain at risk for school failure. Indeed, if the current demographic projections are accurate, there will be a smaller pool of literate Americans comprised of a larger proportion of minorities from which colleges, universities, industry and the military will be able

to draw to meet their human resource needs. Moreover, education is inextricably linked to economic well being and empowerment of blacks

The federal government has, of necessity, a major role and primary responsibility for ensuring that *all* of the nation's children, and particularly special needs students, receive equality in education. It is in the national interest that the federal government provides adequate funds for educational programs to states. Equally important, it must be mandated that these programs be carried out equitably with states and local school districts being held accountable. The National Urban League holds the federal government morally responsible for supporting and implementing programs that protect the civil and constitutional rights of black students.

In summary, there are impelling reasons for the National Urban League, black America in general and the nation as a whole to be concerned about the educational conditions experienced by black students. The Urban League Movement will continue to advocate vigorously for equity and excellence in the education of black students.

THE URBAN LEAGUE AND EDUCATION

For more than 75 years, the National Urban League and its affiliates have worked to assist blacks and other minorities to improve their lives. From its inception, the League focused on education as a way out of poverty to provide the poor, blacks and other minorities of this country a means of enjoying the "rights and responsibilities" of citizenship.

Shortly after its founding, the leadership of the organization adopted the motto "Not Alms, But Opportunity." It is as appropriate and applicable today as it was then. From the beginning, a legacy of research and serious scholarship undergirded the development of policy and the implementation of advocacy and direct service programs. The emphasis on eliminating institutional barriers to success in education resulted in the League's significant involvement in vocational education, cultural enrichment programs, desegregation plans and other educational areas.

In the 1950s, the League encouraged young black students to pursue mathematics and science courses in school in order to be prepared for careers in scientific and technical fields. This was done under the umbrella of the NUL's Tomorrow's Scientists and Technicians Program. The New York Urban League pioneered the development of alternative education programs with the implementation of the Street Academy in 1966. Many Urban Leagues offered such programs during the 1960s and 1970s, and others are currently doing so. Urban Leagues paved the way

for community based agency involvement in the delivery of early childhood services by becoming Head Start grantees. In addition, Urban Leagues are currently serving over 5000 young children and their parents.

A recent survey conducted of Urban League programs indicated that over one-half of the affiliates conduct guidance and mentoring programs and parent education programs. In addition, they administer scholarship and financial aid assistance programs that have provided young black students with over one million dollars in scholarship aid.

In response to the current crisis in education, in general, and to the failure of the educational system to provide quality education for a large segment of the minority student population, in particular, the Urban League leadership passed the Resolution on Public Education at its 1985 Annual Conference. The Resolution made education a priority program area, and called for each affiliate to develop direct service and advocacy programs that would include a mix of the following elements: community mobilization, system change, academic assistance and support services.

The first survey of the affiliates' progress indicated that over 26,000 parents and students had been mobilized by the Urban League's Education Initiative. Thousands of volunteers are providing tutoring, mentoring and supportive guidance and counselling services for black youth. The Urban League has lead the way for the black community to take responsibility for those areas over which they exercise control. As an indication of the significance of the Education Initiative and the importance with which the program is regarded, substantial financial support has been received for the effort.

PRESENT CONDITIONS

During the past twenty years, a number of federal measures and initiatives have been undertaken to assist black, poor and other minority students. These included compensatory education, early childhood education, dropout programs, and desegregation and higher education measures and initiatives. However, to a large extent, these programs have missed the mark and have failed to effect the desired changes. More specifically, only a small proportion of the targeted students were affected.

It is within this context that the following issue areas are discussed: shortcomings of desegregation efforts since the *Brown* decision; abuses of the practice of tracking and ability grouping; low levels of participation in mathematics and science classes by blacks; the dropout crisis

among blacks; and declining enrollment rates of black students in institutions of higher education.

Desegregation

In the more than three decades since the Supreme Court's decision in favor of school desegregation, integration of most of the nation's schools is far from being a reality. Sixty three percent (63%) of black students attend predominantly minority schools, and this figure has remained almost the same since 1972.[1] In addition, demographic data suggest that the largest number of segregated schools are found in large urban cities.

Black Americans and other minorities face a continued threat from the federal government to undermine the achievement of educational equity which was inspired by the 1954 *Brown v. Board of Education* decision. The most damaging example of this is the Administration's view that after implementation of a court-ordered plan for desegregation, a school system becomes "unitary," entitling it to have existing court orders withdrawn; in many instances new plans are implemented which resegregate schools.[2] This occurred recently in Norfolk, Virginia where the busing plan ended and all-black neighborhood schools were recreated. Similarly, the unitary argument has been used in Denver, Colorado and Bakersfield, California.

Mandatory pupil reassignment or busing is no longer argued by the Department of Justice as a means of desegregating schools. This move was welcomed by some black parents who were disenchanted with busing which placed the greatest burden on black children.[3] The government now urges the implementation of magnet schools, a voluntary technique, and emphasis is being placed on improved schooling in areas where racial desegregation cannot occur due to high concentrations of blacks. For example, in Prince Georges County, Maryland, magnet schools together with Milliken II schools (predominantly one-race schools) are used as desegregation tools. According to Prince Georges County school officials, the achievement levels of black students in that county have improved.[4] This is important because there will be equity and excellence for black students when there are effective schooling policies and practices and adequate resources to fund programs.

Of major concern in higher education is the *Adams* case which was dismissed in 1987 and is currently being appealed.[5] Filed in 1970, that case sought to assist in desegregation efforts (at the student, administrative and faculty levels) at white institutions, and to enhance under-funded Historically Black Colleges and Universities (HBCUs)

within 19 states initially. In February 1988, The Office of Civil Rights (OCR) of the Department of Education ruled that only six Adams states (Virginia, Delaware, Florida, Georgia, Missouri, and Oklahoma) were not in full compliance with the civil rights law. The OCR decision was a blow to serious civil rights enforcement, and it is feared that President Reagan will effectively excuse the remaining states from their civil rights obligation before he leaves office.

Excellence in education and equity of educational results must be demanded when racial desegregation of schools is precluded, and predominantly black or one-race schools occur as, for example, the Milliken II schools. Teaching and administrative staffs should reflect the ethnic diversity of the community and society at large, and curricula should *reflect* and *respect* the history and cultural value of the diverse racial and ethnic groups which comprise our society.[6]

Tracking

The sorting of students into ability groups or tracks is a widespread controversial schooling practice which is more prominent in desegregated schools and racially and economically diverse school systems. Black students, especially males, are victims of these sorting practices.[7] What is more, black students are disproportionately represented within the lowest tracks, while students from upper socioeconomic levels are consistently overrepresented in higher tracks. In a study conducted by Haller of Cornell University, it was found that "the percentage of whites assigned to the highest groups is slightly over twice that of blacks, while in the lowest groups the percentage of blacks is approximately three times that of whites."[8] Further, black students are overrepresented in educable mentally retarded (EMR) classes and underrepresented in gifted and talented (G/T) programs. The 1986 Department of Education Civil Rights survey indicated the following: (1) blacks represented 16 percent of the national enrollment in schools, but constituted 35 percent of EMR and only 8 percent of the G/T enrollments; (2) in comparison, whites represented 70 percent of the national enrollment, but constituted 58 percent of EMR and 81 percent of G/T enrollments. Thus, whites were overrepresented in G/T and underrepresented in EMR enrollments.[9]

Although various methods are used to sort students into tracks, such as standardized tests, grades, mental age, and administrative/ counselor recommendations, a major determinant is personal perception; that is, teacher expectations vis-a-vis selected student characteristics such as race, socioeconomic status (SES) and perceived ability. Indeed, a

teacher's expectations can become a self-fulfilling prophecy in determining the success or failure of students.[10]

Moreover, curriculum content, type of instruction, frequency and form of teacher-pupil interaction and resources are superior for students in the higher rather than the lower tracks or ability groups. What this means, in effect, is that the content and quality of education is significantly different among the tracks for students even within the same subject, within the same grade and school.[11] An important implication of this distribution for educational achievement is that lower tracked students earn fewer school credits in areas such as English, mathematics and science.[12] Moreover, the content of the courses in these academic subjects is often different than that in college preparatory tracks. For example, they may take general mathematics rather than algebra and trigonometry or general science rather than biology and chemistry.[13]

Our contention is that these sorting mechanisms play a pivotal role in perpetuating and widening the achievement gap between black students and their white counterparts. Sorting practices begin as early as first grade and by third grade, the groups tend to be fixed with little or no mobility between groups.[14] Thus, as students move up in grades, they remain in the lowest group. This is particularly detrimental for black students because in addition to advancing more slowly in school, they "develop problems of lower self-esteem, more school misconduct, higher dropout rates, and higher delinquency."[15]

Mathematics and Science

Black and other minority students, except Asians, are grossly underrepresented in mathematics and science programs in public schools. There is a weeding out process which begins in elementary school which prevents many black students from continuing to participate in mathematics and science. Moreover, the practice of tracking further places black students at a disadvantage. Mathematics is a sequential subject for which early academic training is vital for increased participation. Black children in elementary school perform at or near the same level as white children in mathematics. However, the longer they stay in school, the greater the difference becomes.[16]

Although concerted efforts have been made nationally to educate American youth in mathematics and the sciences, black high school students continue to be underrepresented in academic programs and overrepresented in vocational program tracks.[17] There is a strong positive relationship between course taking and achievement. Thus, the more mathematics studied by minority students, the better will be their

performance on achievement tests.[18] And, as test scores improve, so would the students' academic self image.[19] An analysis of the Third National Assessment of Educational Progress (NAEP III) shows that there was a substantial increase in the achievement level for both blacks and whites with each mathematics course taken.[20] However, black students continued to score below the national level of performance.

As the number of blacks who graduate from college with quantitative skills increases, they will begin to narrow the gap that currently exists in mathematics-related fields such as engineering, computer sciences and the health professions. As is to be expected, due to the small number of blacks who continue in advanced level mathematics and science courses in high school, the proportion of blacks who select college majors in these areas is even smaller. For example, in 1980-1981 (the most recent year for which information is available), the total number of bachelor's degrees awarded to blacks was 60,673. By field, most degrees were awarded in business and management (13,400 or 22.1%), followed by education (9,494 or 15.6%), and the social sciences (8,129 or 13.4%). In contrast, degrees awarded in mathematics- or science-related areas were: engineering 2,449 (4%), computer and information sciences 786 (1.3%), mathematics 584 (0.9%), biological sciences 2,269 (3.7%), and the physical sciences 906 (1.5%).[21] This is distressing because the salaries in mathematics-related areas are highest and unemployment rates are lowest.

Dropouts

The dropout rate has reached epidemic proportions for black students nationally—25 percent are dropping out of school each year and 14 million more are graduating functionally illiterate.[22] Other shocking statistics are: 52 percent of dropouts are unemployed or are on welfare; dropouts cost the American taxpayers $75 billion annually in welfare benefits and lost tax revenues; 60 percent of prison inmates and 87 percent of pregnant teens are high school dropouts.[23] This is only a sample of the severe impact of dropouts on our society.

Predictors of students who are likely to drop out of school are as follows: being two or more years behind grade level; coming from a home where the father or mother dropped out; being pregnant; being poor or a minority; and having low reading or achievement levels.[24] Another critical factor influencing student dropout is a dysfunctional educational system.

Census data reveal also that the labor market sends negative signals to black Americans about the importance of education in obtaining and

maintaining a job relative to their white counterparts.[26] For example, in 1984, black households headed by a person with 4 years or more of college received only 73 percent as much income as their white counterparts. On the other hand, white households headed by a person with 8 years of elementary school received 92 percent as much as households headed by a black high school graduate.[27]

Nevertheless, it is within these constraints that measures must be taken to prevent students from dropping out of school and to encourage those who have dropped out to reenter school and graduate. Such measures require alternative educational approaches which would include basic education, personal and career counseling, assistance in obtaining social services, parental involvement, job skills training, job search assistance, part time employment placement and pregnancy/parental counseling.[28]

Since the cost of dropping out of school is borne by all segments of society, dropout prevention efforts must likewise be undertaken as a comprehensive collaborative arrangement by schools, government, community organizations and business. Such a holistic approach would go a long way in alleviating the dropout problem.

Higher Education

Since 1976, higher education participation rates for blacks have declined despite increases in the high school completion rates. Consequently, blacks are losing ground in almost all areas of higher education; that is, in terms of enrollment and graduation rates of students as well as faculty positions held.[29] For example, there was a decline in the number of degrees awarded to blacks at nearly all levels, except the first professional degree. [30] Moreover, the number of black students receiving doctoral degrees between 1977 and 1986 dropped by 27 percent. Of the 31,770 doctoral degrees confirmed in 1986, only 820 were awarded to blacks.[31] Similarly, in terms of full-time faculty positions, the number for blacks declined from 19,788 positions in 1977 to 18,827 positions in 1983. Moreover, the overall representation of black faculty in predominantly white institutions is only 2.3 percent.[32]

Many factors have contributed to the shrinking minority enrollment. Among these factors are the rising cost of a college education, reduction in financial aid, the inability of minority families to meet college expenses, higher college admission standards and inadequate preparation of black students in public elementary and secondary schools.[33]

Of critical concern is the high attrition and low graduation rates of those black students who enroll in predominantly white institutions.

This is due to economic factors, a racist social climate and lack of assistance in learning to negotiate the system.[54] In contrast, there is low attrition and high graduation rates for black students enrolled at Historically Black Colleges and Universities (HBCUs). HBCUs have traditionally provided higher education for blacks and other minorities who would otherwise not have received such an education. Indeed, a substantial proportion of black graduates who received degrees in the natural and technical sciences were educated at these traditionally black institutions.[55] For example, in 1984-85, only 18 percent of black students were enrolled in HBCUs, yet the HBCUs awarded 34 percent of all baccalaureate degrees received by blacks.[56]

In spite of the herculean task of HBCUs with regard to providing higher education to many black, poor and other minority students, they have been under-funded by the federal government. In addition, the federal government has reduced its level of funding for financial aid programs. The deleterious effect of this is felt by both the HBCUs and minority students, more than 80 percent of whom were assisted by one or more forms of federal student aid to enable them to attend college.

In summary, the condition of blacks in education today presents a bleak picture. Unless there is more support by the federal government for programs to meet the special needs of disadvantaged students, the nation will continue to be placed at risk. Systematic efforts must be made to provide these black students with an education that is second to none. It is an investment in the future of our society. Our existence as a first class nation demands it.

RECENT POLICY AND PROGRAM INITIATIVES

It is important for us to take a critical look at the annual federal budget particularly as it impacts on the well being and future of blacks, the poor and other minorities with regard to equal educational opportunity. While the federal government provides considerable financial support for education, it has demonstrated little commitment to disadvantaged students by its failure to provide additional assistance to meet their special educational needs.

Contrary to its rhetoric about achieving academic excellence for all students, the Reagan Administration has done little to bring this to fruition and much to cause decrements for blacks in education since 1980.[57] For instance, for FY 1988, a number of initiatives were proposed by the Administration that, if passed, would have had adverse effects on the educational opportunity for blacks and other minorities. The Administration proposed a 28 percent decrease in total education funding ($14

billion) for FY 1988, down from $19.5 billion appropriated for FY 1987. Such proposed action merely continues the trend established by this Administration since coming into office. In fact, between 1979 and 1986, there has been a significant decrease (particularly when adjusted for inflation) in the federal portion of the total school dollar for elementary and secondary education.

Beginning with early childhood programs, the Administration proposed that the Head Start program be placed in a special group with 26 other programs within the Office of Human Development Services in the Department of Health and Human Services. The total funds recommended for these programs for FY 1988 was $60 million less than the FY 1987 level of appropriation, although an increase of $20 million is recommended for Head Start. Even a $20 million increase, however, would not allow Head Start to keep pace with inflation. Moreover, the program is currently serving a mere 16 percent of the 2.5 million children in need of its services.[38]

Head Start provides a comprehensive early childhood development program which is the primary source of support for low income children. Its effectiveness has been proven through its enhancement of long term educational and employment opportunities for its participants. In addition, the cost effectiveness of the program has been established showing that the benefits of two years of Head Start to a child outweighs the cost by a ratio of 7 to 1.

Next, for elementary and secondary education, the actual dollar amounts for funding Chapter 1 of the Education Consolidation and Improvement Act have increased, but in real terms the 1988 appropriation for Chapter I is about 29 percent lower than the 1979 appropriation. There is an even more marked decline in real funding per poor child. According to a 1985 report by the Congressional Budget Office, in 1983 (the last year for which data on the number of children in poverty are available), real appropriations per child in poverty was 53 percent of the 1979 level. In other words, the number of poor children as well as inflation have increased substantially.

The Chapter I program is a compensatory program of remedial education for poor children to enable them to keep up with their peers. The academic gains made by students in the program have been widely acknowledged.[39] Yet, funding for the program reaches less than half the students who are eligible for it. For example, in 1980, Chapter I served 75 out of the 100 eligible students compared with 54 per 100 students in 1985. Based on the proven effectiveness of the Chapter I program, it makes economic sense to increase funding for this program. Moreover,

by helping poor children to keep up in school, Chapter I saves the cost of grade repetition, which is more than four times as high as that of Chapter I services.[40]

Prior to the Reagan Administration, the federal government provided targeted funds to promote school desegregation. Under this Administration, however, this program has been consolidated with a number of other federal initiatives into an educational block grant known as Chapter 2 of the Educational Consolidation and Improvement Act, and the overall funding was cut by 25 percent. Prior to this new law, aid was provided under the Emergency School Aid Act to school districts in the process of desegregation. No such conditions are imposed on states under Chapter 2 in their allocations of the reduced funds they receive.

The net result has been that large cities with predominantly minority populations lost a major share of their federal education dollars. A case in point is Seattle which lost $6.3 million or 89.6 percent of its federal funding and St. Louis which lost $7.1 million or 91.6 percent between the 1980-81 and 1982-83 school years. What is even more disturbing is that there is a dramatic shift away from the federal priority of equal opportunity. According to the Children's Defense Fund, a survey of Florida school districts revealed that Chapter 2 funds are being used to purchase computers by 82 percent of the schools, while a mere 5 percent of them were using the funds toward school desegregation efforts. [41]

Similar trends of reduced budgetary allocations were made by this Administration in higher education for programs that have proven to be beneficial and critical to enable countless black students to enroll in college and to complete 4 years. Federal aid for higher education has lagged behind the spiraling tuition costs. According to the American Council on Education, there was a 75 percent increase in tuition in both private and public colleges between FY 1980 and FY 1986.[42] In contrast, there was only a 20 percent increase in the maximum Pell Grant allocation per eligible student during the same period (from $1,750 to $2,100). The maximum grant for 1988 is $2,200 with the average grant being $1,400 to approximately 3.2 million recipients.[43] This has meant that fewer black students are enrolling in college full time.

To aggravate this bleak situation, the current Administration has reduced the total funds available for Pell Grants, which provide direct grant aid to low income students, by 5.7 percent (after adjusting for inflation) between 1980-81 and 1985-86. Cuts have also been made in the "TRIO" program (Upward Bound and Special Services for Disadvantaged Students) which provides supportive services such as counseling

and tutoring to low income students who are the first generation in their families to attend college. Guaranteed student loans have, however, been made available to students needing them. For obvious reasons, loans and work study programs are not as desirable forms of financial aid as direct grant aid for black and other disadvantaged students. That is, accumulating a student loan debt which has to be repaid upon graduation could be quite burdensome. Similarly, having to work while carrying a full time course-load places an additional strain on minority students who are already educationally disadvantaged and are in need of additional educational support. Suffice it to say, these types of aid are better than *no* aid in that they have proven to be beneficial to blacks.

In his FY 1988 budget, President Reagan proposed abolishing or reducing funding for a number of educational programs that were designed to bring about equality of educational opportunity for blacks. For example, he proposed discontinuing support for training and advisory services authorized under Title IV of the Civil Rights Act to provide technical assistance and training to school districts in the process of promoting desegregation ($14 million in FY 1987). Also slated for elimination was the Follow-Through Program designed to maintain gains made by Head Start children by providing educational services in early elementary grades ($7.2 million in FY 1987).

With regard to federal financial aid to college students, the Administration proposed a $3.7 billion cut in FY 1988. Pell Grants were to be cut by $1.2 billion and the family income eligibility lowered from $28,900 to $20,000 and less. The "TRIO" program was to be cut in half to $82.4 million in FY 1988. The College Work-Study Program was up for total elimination thereby affecting three quarters of a million students in the 1988-89 academic year. The Supplemental Education Opportunity Grant Program was also slated for total elimination.

Direct institutional aid was also slated for cuts. Under the Title III program, $50.7 million was provided for assistance to Historically Black Colleges and Universities in FY 1987 and an additional $95.5 million for financially struggling institutions (often community colleges that typically serve disadvantaged students and minorities). While the Administration decided to keep the set aside, it proposed to eliminate the other program in FY 1988 and rescind the entire $95.5 million for it in FY 1987.

It is particularly disturbing to witness the inconsistencies that exist and the push-pull elements at work in regard to equality of educational opportunity. On the one hand, government researchers and others have documented the critical need for school reform, while on the other

hand, the Administration makes proposals for cuts in federal spending that would be catastrophic, especially for blacks, the poor and other minorities.

Even at the state level, educational reform for these students seems to be a low priority. In fact, the state education reform movement, which was initiated four years ago to raise standards and improve performance, has not yet developed a plan of action that would provide the resources and attention needed by disadvantaged students. Further, the states will spend most of the nearly $2 billion earmarked for implementing reforms in the 1985-86 school year on initiatives that are not specifically targeted on poor children. Only 13 states targeted money on "at risk" youth, while 23 states have programs that benefit gifted and talented students.[44] The view that education reform is a low priority is shared even by William Bennett, Secretary of Education as can be seen from his Statement on the FY 1989 budget, ". . . in some states, badly needed education reforms have been watered down or defeated by entrenched interest groups."[45] Notwithstanding, a major contributing factor in the limited allocation by the states to school reform is the lack of guidance by the federal government. This Administration has reduced its role in terms of providing both funding and leadership.

POLICY RECOMMENDATIONS

The National Urban League supports the position taken by the National Commission on Excellence in Education in its report *A Nation at Risk* regarding the role of the federal government in education. It stated that "the federal government has the primary responsibility to identify the national interest in education and should help fund and support efforts to protect and promote the interest. . . ."[46] Similarly, both the private sector and the nation's governors have recognized the need for an enhanced role by the federal government.[47]

Because of its historical and continuing commitment to ensuring equity and excellence in the academic achievement of black students, and recognizing the need for more resource allocations to effectively meet this challenge, the National Urban League makes the following policy recommendations:

Early Childhood Education

- That Head Start programs receive full funding to serve 100 percent of the eligible population, and that such services be coordinated with other programs such as Even Start.

- That there be tax incentives for business and industry to collaborate with states and local education agencies to provide high quality developmental early childhood programs for all children in general, and for "at-risk" and other poor children in particular.

Elementary and Secondary Education

- That Chapter I of the Education Consolidation and Improvement Act receive full funding to serve all eligible students.

- That Chapter I legislation make provision for local education accountability for student achievement by facilitating an enhanced state role in monitoring local student improvement efforts. A portion of the funds to states should also be earmarked for in-service training of teachers and administrators.

- That funds be provided for school districts to replicate programs that have proven successful in improving educational outcomes for "at-risk," black and other minority students.

- That the effects of school desegregation be monitored more vigorously to determine the nature and consequences of resegregation and tracking practices in public elementary and secondary schools.

- That more federal funding be allocated for existing dropout programs, and the number of dropout prevention and retrieval programs be increased.

Higher Education

- That more effective and extensive federal and state affirmative action efforts be made to reverse the current trends in black higher educational attainment and to further the progress of blacks.

- That more federal financial aid be made available, especially in the form of grants to black students.

- That the federal funding levels be increased to Historically Black Colleges and Universities to assure their continued existence.

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Welfare Reform: An Antipoverty Strategy

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INTRODUCTION

The struggle to alleviate poverty and unemployment in America is a historical one. It is a struggle wherein the quality and parity of national income security measures for American citizens are impacted by the economic and social welfare policy perspectives, choices, and commitment of each successive political administration.

For centuries this nation has grappled with conflicting perceptions about the best way to ensure sufficient income for families and individuals to secure at least life's basic necessities. The notion of basic income security has been shrouded by the value-laden concept of social welfare, particularly as it pertains to families and individuals who are defined as poor either because they are totally without income (destitute) or they earn income that is insufficient to meet all of their basic needs.

Prior to the Great Depression of the 1930s, many of this country's underlying notions about poverty and social welfare were heavily influenced by America's adaptation of the punitive Poor Laws of England and the influence of the Protestant Ethic which attached a moral status to work.[1] However, massive unemployment during the Depression years taught us new lessons about *the vulnerability of income to the forces of the marketplace* and served as a powerful catalyst for augmenting the federal/state governmental role in matters of income security. New Deal programs and the establishment of the Social Security Act of 1935 reflected new perceptions about protecting family and individual income. More recently, federal intervention in matters of income security became intensified during the 1960s as political leaders discovered the "other America" and launched the War on Poverty.

The decade of the 1980s ushered in by the Reagan Administration represents a departure from the social welfare perspective that has guided our public policies on income security and welfare reform efforts since 1935. President Reagan's brand of New Federalism favoring state responsibility for social welfare spending, along with a supply-side economic policy and increased defense spending, has been the hallmark of the so-called "Reagan Revolution." The Administration's paradoxical call for "welfare reform" and its promise of a social "safety net," coupled with changing economic trends, have essentially produced a secure net for the rising incomes of the rich and a shredded net for the sinking incomes of blacks and other economically disadvantaged groups. Millions of families and individuals of this decade are falling through the safety net's gaping holes and literally spilling over into and living on the streets of America.

Contrary to the political atmosphere and direction of the 1960s and 1970s, which promoted some of the ideals of social justice, the 1980s will go down in history as a decade of lost opportunity in our fight against poverty and unemployment. It will also be recorded as a decade in which our national policies neglected the needs of the economically disadvantaged, many of whom are uneducated, unskilled, jobless, hungry, homeless, and in need of health care.

The National Urban League believes that the next political administration and the 101st Congress, along with the states, the private sector and local communities can and must repair the impact of the Reagan Revolution on blacks, other minorities and the poor. Collectively, they must plan for and devise a viable national antipoverty strategy that will assure opportunity for blacks and others to use the marketplace as *the primary* means for economic security, rather than to be locked in such disproportionate numbers in the "public economy" of the welfare system. Such a strategy must also assure that individuals and families who are unable to secure income through earnings are afforded an income security that meets their basic needs.

The 100th Congress, encouraged by the National Urban League, has begun to move in this direction through House passage of the Family Welfare Reform Act (H.R. 1720). By incorporating key Urban League principles for welfare reform, H.R. 1720 attempts to address the adverse life conditions of at least one-third of America's poor who are recipients of Aid to Families with Dependent Children (AFDC), and are in urgent need of national action.

The National Urban League maintains that one step towards a renewed antipoverty strategy must incorporate the following:

- There must be a clear understanding of the nature of the poverty population who are AFDC recipients; i.e., their varying needs for economic independence, and their relationship to overall poverty and unemployment; and

- Community based organizations must be included in both the debate and final legislative programmatic outcome of welfare reform, particularly in *planning* and *service delivery.*

The League feels that we can be successful with the poverty population receiving AFDC. Indeed, the degree of our success will determine the extent of our national commitment to the needs of the remaining two-thirds of America's poor.

THE URBAN LEAGUE AND ANTIPOVERTY STRATEGIES

Since its founding in 1910, the National Urban League has addressed social welfare concerns and service delivery issues, as well as advocated national and local policies centered around the basic goal of ensuring and protecting the viability of black families. The League's early motto, "Not Alms, But Opportunity" probably best captures the underlying philosophy of the Movement throughout its history of working to secure economic and social parity for black families. Such a philosophy is deeply embedded in the black experience where jobs and job security have always been eminent goals and social policy concerns of black Americans.[2]

Black families in economic adversity, some of whom have been denied participation in the mainstream labor market economy through discrimination, assigned to lower wage jobs, or are swimming in the public economy system of AFDC, have been a major policy and service delivery concern of the Urban League, particularly since black participation in AFDC increased during the 1960s and 1970s. Prior to this period, black Americans survived largely through a self-generated system of self-help established by and for blacks due to the exclusionary and discriminatory practices of majority public and private institutions.[3]

As a result of its ongoing work within communities in major cities throughout the country, the League has amassed extensive experience in identifying and meeting the social service and economic needs of families in poverty and the working poor. During the 1960s and 1970s, the League conducted various demonstration programs designed to move poor families, many of whom participated in the AFDC program, out of poverty.

In 1975, the League published its *Income Maintenance Position*, which proposed a substantial change in our public benefits and social insurance systems. This proposal was designed to prevent and eliminate poverty through a combined strategy incorporating the concepts of a basic universal income floor, full employment, and national health coverage.[4] In the early 1980s, the League conducted public hearings in 16 cities around the country that assessed and documented the tremendous hardship imposed upon AFDC recipients and other working poor as a result of the budget cuts implemented by the Omnibus Budget Reconciliation Act of 1981 (OBRA).[5]

Unwavering in its commitment to the principle that all Americans have a right to a job, and faced with the constant reality of disproportionate black unemployment and poverty, the League adopted a formal policy position in 1984 that called for full employment with parity and offered specific recommendations for achieving this national goal.[6] During the same year, the League seized the challenge and initiated the complex task of rethinking the process for implementing effective welfare reform as it pertained to AFDC families—within a politically restrictive environment—long before it became a national priority issue in 1986-87.

What began as a National Urban League policy research and analysis initiative in welfare reform, evolved into two specific legislative proposals that were introduced in both Houses of Congress in June of 1986.[7] These proposals embodied key underlying principles of the Urban League which placed special emphasis on the role of community based organizations (CBOs) in facilitating the transition of the long term AFDC recipient and unemployed, having multiple barriers to employment, from the AFDC system to permanent unsubsidized employment. While no formal Congressional action was taken on the League's bipartisan proposals of 1986 (re-introduced in 1987), the bills provided an important foundation for the League's subsequent cultivation of seven guiding principles for welfare reform, four of which were incorporated in the House-passed Family Welfare Reform Act (H.R. 1720) in December 1987.

Through its annual *State of Black America* reports, the National Urban League has persistently articulated its concerns and recommendations in areas relevant to income security. The organization's rich history in advocating for and meeting the critical needs of black families in adversity provides a solid basis for its current position on welfare reform and for the development of relevant strategies to improve the current condition of all poor families.

PRESENT CONDITIONS

Public and congressional deliberations over proposals for welfare reform in the last few years have been fueled by distortions and outright falsehoods about poverty in general, and about families on AFDC in particular. Such perceptions have often been based on speculation about the "behavior" of the poor rather than the nature of their relationship to the economic environment. A positive outcome of this recent round of welfare reform debate is that much is being learned about poverty and AFDC recipients through research and direct field experience. This affords policymakers a more accurate perspective on welfare reform as *one strategy* in the nation's overall fight against poverty and unemployment.

Dimensions of Poverty and Unemployment

In formulating public policy measures to "reform" the AFDC program, it is necessary to be clear about the nature and dimensions of overall poverty and unemployment.[8] First, it should be noted that the welfare reform debate has truncated around the axiological issue of *dependency,* rather than the economic issue of *poverty.* Thus, one must ask, "What proportion of the poor are dependent?" In 1986, 32,370,000 Americans were poor;[9] yet, the AFDC program serviced 10,995,000 individuals[10] or only 34 percent of American poor. Additionally, 66 percent of 7,294,000 "dependent" poor were children.[11] This means that only 11 percent of America's total poverty population or 3,701,000 individuals[12] can be classified as adult poor on AFDC.

Secondly, the issue of welfare reform has come to be viewed as a "black" issue, making it critical that we examine the linkages between poverty, dependency, and race. In 1967, 8,486,000 black Americans existed in poverty out of an overall poverty population of 27,769,000.[13] Thus, blacks comprised nearly one-third of America's poor (30.5%). In 1986, 8,983,000 black Americans lived in poverty and constituted 27.7 percent of America's poor.[14] A comparison of the 1967 and 1986 data reveals that while black Americans constituted a smaller proportion of the nation's poor in 1986, they remained disproportionately the population that carried the heavy burden of poverty. Moreover, while blacks in poverty increased during this period, overall poverty in the nation also increased with the higher rates of increase occurring among white Americans. Further, "the relative increase in poverty among whites has been greater than the increase in poverty among blacks" during the 1980s.[15]

The disproportionate representation of blacks among the nation's poor is, of course, reflected in the disproportionate representation of blacks among AFDC recipients. In 1973 (the first year for which comparative data are available), blacks constituted 45.8 percent and whites 38 percent of all AFDC recipients.[16] In 1986, the proportion of AFDC recipients who were black (41%) was almost the same as the proportion of whites (40%).[17] Thus, the proportion of black AFDC recipients has actually *decreased,* from 45.8% in 1973 to 41% in 1986. White Americans' share of AFDC *dollars,* on the other hand, has increased from 38 percent in 1973 to 40 percent in 1986. Hence, close scrutiny of the data discloses that welfare reform is not solely a black issue, but one in need of immediate attention. The effort to reform the AFDC program is a crucial first step in the process of attacking hard-line poverty.

This discussion also raises the issue of the correlates of both poverty and dependency. Questions to be addressed include: "To what degree are those in poverty poor because they are non-participants in the labor market?" "To what degree is poverty related to a failure of labor markets?" "To what degree is poverty related to a willingness to work, but the absence of marketable skills?" Similar questions must be posed relative to dependency. Again, it is helpful to examine the data on these issues. Apoproximately 50 percent of all poor family heads worked at some point during 1985.[18] Additionally, nearly half (49%) of all poor female-headed families with children worked during 1985.[19] Moreover, in 1985, a greater proportion of poor black female heads of households worked full-time (20%) than did white female heads of households (13.7%).[20]

Between 1975 and 1984, there has been a decrease in the labor market participation of AFDC recipients. For example, in 1975, 16.1 percent of AFDC mothers were employed full- or part-time, whereas in 1984, only 4.8 percent of AFDC mothers were similarly employed.[21] This trend can be explained in part by the fact that in 1975, 34.6 percent of AFDC mothers had children who were not of school age, whereas in 1984, 42.6 percent of AFDC mothers had children below school age.[22] Such data can also be explained in terms of the differential labor market conditions which prevailed during these two periods. Although employment remained low among AFDC adults in 1986, the 6 percent of women and 9 percent of men who were employed represented a slight increase since 1984.[23] In that same year, more than 60 percent of the recipient men and 27.5 percent of the recipient women were unemployed; that is, seeking work or on layoff.[24] More importantly, in 1986, about 39 percent of adult females on AFDC were registered in work programs, up from 34 percent in 1985. In addition, among adults who were exempt from work registration, the most common reason for exemption was the

need to care for young children (3 of 4 adults were exempt for this reason).[85]

Increasingly, evidence is accumulating that labor market conditions may be a critical factor in both poverty and dependency. In 1979, 41,695,000 persons were poor *before* any government cash and noncash transfers.[86] In 1985, (despite the economic recovery) this number was 50,462,000.[87] Given structural shifts in the job market in the last decade, an individual's participation in the labor market does not necessarily mean escape from poverty. According to a recent report, "the earnings potential from working has not only been reduced because of the structural shift in employment to low-wage sectors, but also because of the slow growth in real wages that has occurred since the early 1970s."[88] Thus, labor market influences must be considered when "the number of prime working-age individuals (age 22 to 64) who work but are still poor has soared, increasing by more than 60 percent since 1978" and "the number of persons who work full-time year-round and are still poor . . . has increased by two-thirds since 1978."[89] These data provide important insights and implications for AFDC reform. Any proposal for welfare reform must ensure that the AFDC population is not moved from one state of poverty (public assistance) to another state (the working poor).

Duration on AFDC

Related to labor market influences and of special importance to the current notion of welfare reform is the issue of AFDC duration (i.e., time spent on AFDC). An extensive review of the research and recent data reveal the following: (1) about one-half of the recipients only stay on the program for about two years (the median number of months on AFDC since their most recent opening is approximately 27 months);[90] (2) that when multiple spells of AFDC receipt are taken into account, one-half use it for 4 or more years, and nearly one-quarter of all those who use AFDC have 10 or more years of receipt;[91] and (3) the one-quarter of recipients having 10 years or more of welfare receipt are said to account for approximately 60 percent of those who are on welfare at any point in time, and consume about 60 percent of the AFDC program's resources.[92]

Long-term AFDC participation merits consideration in the discussion of welfare reform. Research indicates that factors contributing to long-term AFDC use include lower levels of education and less employment experience. In addition, individuals particularly "at risk" of becoming long-term recipients are young, never-married women who enter AFDC when their child is less than three years old (over 40 percent of

this group will spend approximately 10 years on AFDC).[33] Both the long-term AFDC recipient and those "at risk" of becoming long-term warrant an urgent and effective harnessing of our resources to end the adverse conditions that surround and erode the quality of their lives. Long-term AFDC duration is of special concern to poor black families, more than half of whom are long-term welfare recipients (eight or more years during the period 1968 to 1978).[34]

Another issue that warrants attention is the heightened vulnerability of poor black families having their children removed from their homes and placed in substitute (foster) care. One measure for assessing this concern pertains to States' claim of federal matching funds under the Title IV-E foster care program:[35]

> States may claim Federal matching funds under Title IV-E only for that portion of their foster care program which provides care for AFDC related children; i.e., children who except for their being removed from their home and being placed in foster care would be eligible for AFDC . . . It is estimated that for the last few years States (have) claim(ed) Federal matching funds for approximately *39%* of the children in foster care (emphasis added).[36]

This situation is further corroborated by recent research data published by the Department of Health and Human Services (HHS) which informs that:

> The common characteristics of AFDC families are poverty and single-parenthood. Thus, it is not surprising that in 1984, 120 Title IV-E eligible children per 10,000 AFDC children compared with 29 non-Title IV-E children per 10,000 non-AFDC children were in foster care. Middle-class and wealthy families seldom are involved with the public child welfare system. *These figures document the higher single-parent families for child welfare placement services* (emphasis added).[37]

The high poverty rates and subsequent AFDC participation of black families increases the likelihood that poor black children will end up in the child welfare system. Morever, black children historically have been disproportionately subjected to the child welfare system and its associated problems.[38] Recent available data indicate that this situation is far from being resolved. While black children comprise 14 percent of the child population,[39] they are disproportionately represented in the foster care population (32 percent black compared to 53 percent white in 1984).[40] Additionally, the proportion of black children who *remained* in foster care for 60 months or longer was nearly twice that of white children in 1982 (26.4 percent and 13.8 percent respectively).[41] This reduces the chances that these children will obtain a permanent home so critical for stable development. Such problems in the child welfare system further underscore the need to provide black and other

AFDC families secure and viable employment opportunities to assist them as they move on the road to economic independence. By examining the dimensions of poverty and unemployment, the National Urban League has gained a perspective on welfare reform that has guided its participation and actions in national deliberations on this issue.

RECENT POLICY AND PROGRAM INITIATIVES

Fairness in income security probably best characterizes the nature of the challenge to the next presidential administration and 101st Congress in decisions about public policy. Perhaps the most dramatic outcome of the cumulative choices made in public policy during the 1980s, within an era of tremendous structural change in our national economy, is the ever widening gap between the income of the rich and the poor. A recent analysis of trends in family income between 1970 and 1986 by the Congressional Budget Office (CBO) reveals that the sharpest increases in inequality have occurred since 1979:

> For all major family types, inequality grew between 1979 and 1986. While high and low-income families had roughly comparable gains in income during most of the 1970s, the incomes of low-income families rose only slightly or fell between 1979 and 1986, while incomes of wealthier families rose sharply.[42]

The income gap is especially poignant when examining CBO findings pertaining to young families and poor single mother families with children. As a result of income losses between 1970 and 1986 experienced by these families, 40 percent of them had "incomes at or below half of the poverty level in 1986."[43] Moreover, while adjusted family income (AFI) rose at every income level for married couples with children as well as for childless couples, AFI rose by about 16 percent for low income, single mothers with children between 1970 and 1977, then fell 25 percent over the next nine years for an overall drop of 13 percent. Thus, in 1986, "one-fifth of all families composed of a single mother and her children had less than half the income needed to live at the poverty level."[44]

For black Americans, the impact of public policy choices relative to income inequality must be examined from two perspectives. The first perspective pertains to income inequality among the black population, and the other is relative to white income. According to the recent *State of Black America 1988* report, income inequality patterns among blacks (especially in the last decade) are similar to those reported by the Congressional Budget Office for the nation. However, the issue of parity with white America qualifies the outcome.[45] Ultimately then, the black family income distribution is worse than that for comparable white

families at every level. What this means is that "the poorest black families tend to be substantially poorer than the poorest white families, while the richest white families tend to be substantially richer than the richest black families."[46]

Additionally, an examination of Congressional Budget Office findings pertaining to *sources* of income during the 1970-1986 period, reveals that employment plays a critical role in the quality of income security compared to the role of welfare programs such as AFDC. These findings reiterate the need for public policies that emphasize a welfare (AFDC) reform approach that places priority on funding and implementing programs which facilitate the movement of AFDC families from public assistance to viable employment. According to the Congressional Budget Office:

> Means-tested transfers such as . . . (AFDC) become a greater income source for low-income families with children, while less of their income came from earnings. On the other hand, middle income, single mothers with children received an increasing fraction of their income from earnings over the period.[47]

Since the establishment in 1935 of the Aid to Families with Dependent Children program (AFDC), a variety of public policies have been initiated reflecting differing perceptions about AFDC recipients. Such perceptions included policymakers' expectations about caring for "dependent" children, work requirements, work "incentives," benefits, eligibility (at both program entry and exit levels), unemployment/underemployment of principal caretakers, and the need for supportive services.

In the last decade, public policies regarding the AFDC program shifted under the Reagan Administration. In 1981, changes enacted under the Omnibus Budget Reconciliation Act (OBRA) attempted to implement the Reagan perspective that "welfare" rolls were bulging with AFDC recipients who chose dependency rather than work, and that a "safety net" would capture the "truly needy" poor. Instead, the impact of these changes created a tremendous hardship, particularly on the black working poor. According to a U.S. General Accounting Office evaluation of the 1981 OBRA changes, the combined effect of program funding cuts, changes in eligibility criteria and net income formulas had the following impact:[48]

- The national AFDC-basic monthly caseload decreased by 493,000 cases and monthly outlays by $93 million.

- Working AFDC recipients who lost eligibility were more likely to be non-white, younger than those who remained on AFDC

(28-33), and had been working for their current employer between 1.7 and 3.4 years.

- Recipients who lost AFDC eligibility suffered a substantial loss of income which could not be made up by increased earnings or other means.

- A large number of families fell below the poverty level.

- Many former AFDC recipients lacked health coverage and were more likely to face increased emergency situations.

Another key AFDC policy change in 1981 that has important implications for recent welfare reform proposals pertains to work requirements for AFDC recipients. Contrary to the Reagan Administration's proposal for mandated "employable" AFDC recipient participation in work programs, Congress instead enacted work program *options* that allowed state AFDC agencies to experiment with different work program approaches.[49] Further, in 1984, Congress enacted legislation that served to reverse some of the 1981 cuts in the AFDC program.

However, in addition to the devastating cuts of 1981 in AFDC and the erosion of benefits (the median decline in benefit levels adjusted for inflation from 1970 to 1987 was 33 percent),[50] there were policy initiatives that severely limited related programs which assist AFDC recipients in their attempt to become economically independent. For example, between FY 1981 and FY 1988, key employment and training services for low income and disadvantaged persons have been cut 71 percent. In addition, there was an 81 percent reduction in the Work Incentive Program (WIN), the primary employment and training program for AFDC recipients.[51] Further, there was a 20 percent reduction in federal funding from over $2.9 billion in FY 1981 to $2.4 billion in FY 1982 for Title XX Social Services Block Grant, a critical source of funding for day care and other social services. Since 1982, funding for the program has only been partially restored by Congress (up to $2.7 billion), and has not kept up with inflation.[52]

The skewed impact of 1980s public policy on the incomes of the poor, particularly young, single, female-headed households, has served as an important catalyst for the resurgent call for welfare reform in the latter part of this decade.

POLICY RECOMMENDATIONS

Throughout its extensive public involvement in national welfare reform efforts, the National Urban League has emphasized that this issue must be addressed within the broader realm of the overall poverty and unemployment problem in this country. The League remains committed to this agenda and challenges the next presidential administration and 101st Congress to marshall the political will necessary to fashion a national antipoverty strategy that is creative, humane and effective.

The efforts made during the 1980s toward reforming the AFDC program[53] serve as a critical first step in:

- Providing a clear direction and concrete opportunity for the acquisition of earned income by persons needing and seeking employment;

- Initiating the process for improving the life conditions of families maintained in poverty through static public assistance programs;

- Providing for a more effective use of the marketplace in response to the special income needs of one-third of this country's poor; and

- Drawing from the lessons of employment-related state programs,[54] launching a nationwide strategy that is sensitive to regional and local economies and operationalized by states and local institutions, for transitioning AFDC recipients to viable employment.

Consistent with these ends, the National Urban League recommends that seven principles serve as the policy framework for welfare reform as an antipoverty strategy. These principles are based on the League's historical experience in this area, via its AFDC policy research as well as its programmatic initiatives. They are:

- That the primary objective in reforming our system of social welfare must be to strengthen the family.

- That program interventions must be designed to ensure that poor families and individuals needing and seeking work have equal access to income through viable employment, thus enabling them to participate fully in society.

- That families and individuals having multiple barriers to employment such as lack of education, skills training, work experience,

and long term spells of poverty and unemployment must be targeted for intensive services that facilitate their transition to the labor market.

- That to ensure permanent entry or reentry into the labor force, special emphasis must be placed on the critical transition stage from public assistance to employment. Support services such as transportation, extended medicaid coverage and income disregards must be provided.

- That a system of social welfare benefits must be economically just and promote the strengthening of families.

- That a comprehensive continuum of service delivery systems must be utilized in national and local plans for improving the lives of poor families and individuals. Along with federal, state and local private agencies, community based organizations must be strategically involved in both planning and service delivery levels.

- That, as a nation, we must never be hesitant or timid in utilizing our federal resources effectively to improve the life conditions of families and individuals living in poverty.

FOOTNOTES

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[47]Congressional Budget Office, op cit., p. xxi.

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Black Economic Development: Still on the Margin

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INTRODUCTION

Economic inequality remains the single most pervasive and consequential problem facing black Americans. This observation takes into account the pronounced disadvantages blacks experience in the interrelated areas of income, employment, occupation, wealth, and business enterprise. In addition to the severe limits imposed on their collective standard of living, the economic deprivations that beset black Americans are largely responsible for the disproportionate incidence of adverse social conditions in the black community. Thus, high rates of poor physical and mental health, drug abuse, crime and delinquency, family instability, and similar problems are all recognized correlates and consequences of black economic insecurity. For these compelling reasons, the issue of black economic development has been and continues to be a priority concern of the National Urban League.

Of course, there are those who would stress the amount of economic progress blacks have realized over the long-term.[1] Such historical assessments are fundamentally correct; the economic status of black Americans has improved dramatically from one generation to the next. Moreover, the League has played an instrumental role in facilitating these historical gains. On the other hand, any conclusion that blacks have reached the point of economic well-being disregards the harsh realities of the current period.

The fact is that black Americans are still a perilously long way from full participation in the nation's economic life, and their future prospects are highly uncertain. In the aggregate, blacks currently enjoy less than 60 percent of the income of white Americans; they are three times as likely to live in poverty; they are more than twice as likely to be

unemployed; they account for a minuscule proportion of the nation's household wealth and are equally marginal in business ownership.[3] Racism and discrimination persist as constraining influences.

Policy initiatives to alleviate their contemporary economic problems and promote the economic development of blacks have produced mixed results. Worse, there have been ominous signs of retrenchment in recent years. Without more potent ameliorative strategies and more effective implementation of initiatives that are sound in concept, one cannot be optimistic about the economic future of black America.

Black economic development is a broad, multifaceted subject that can be approached from several different directions.[5] However, two basic perspectives can be differentiated. The first emphasizes the promotion of individual mobility, through policies and initiatives that enable an individual or family to raise their level of economic self-sufficiency. Thus, job training programs are geared to imparting or upgrading the vocational skills needed to progress in the labor market. Similarly, antidiscrimination measures seek to remove the racial barriers to employment opportunity that blacks have encountered. The alternative perspective stresses the development of black-controlled economic institutions and enterprises. Such institution-building is intended to revitalize economically depressed black communities and, in turn, broaden opportunities for individual advancement.

While both alternatives have a crucial role in furthering the overall economic well-being of black Americans, this presentation principally addresses the need for institution-building in urban black America. Black Americans are geographically concentrated in urban areas, and their economic problems are most acute in this environment.[4] Even with the increased suburbanization of the black population, their disproportionate residence in urban enclaves, for both voluntary and involuntary reasons, is likely to persist indefinitely. A viable economic improvement strategy for blacks must take this prospect fully into account.

THE LEAGUE AND ECONOMIC DEVELOPMENT

The Urban League has consistently sought to promote the economic empowerment of black Americans. Indeed, the organization was founded principally for the purpose of assisting black migrants from the South to secure gainful employment in the industrial economies of northern cities. Since that early period, the expansion of employment opportunities and the delivery of the skills training needed to access them have been cornerstones of the League's advocacy and programmatic agenda. This thrust was affirmed by the League's sponsorship of a major,

broadly representative conference on black economic development in 1979. That meeting generated proposals for a range of employment and training programs targeted on the economically disadvantaged and provided a basis for strengthening the League's existing efforts.

The encouragement of black economic enterprise, in the form of individual entrepreneurship and cooperative ventures, has also been a prominent and growing part of the Urban League Movement. As recently as 1983, for example, the National Office established the Urban Enterprise Institute, a multifaceted program to assist blacks in business. Another initiative, the Entrepreneurship Education Program for Inner-City Youth, is presently being developed. This effort is designed to edify black youth regarding the principles of free enterprise and how the free enterprise system can be used to achieve individual and community betterment.

At the local level, Urban League affiliates have been extensively involved in developmental endeavors to stabilize and rejuvenate distressed black communities. Housing construction and rehabilitation projects spearhead these efforts, which emphasize the use of black contractors and vendors. Across the affiliate network, the League serves as a vital link between individual black entrepreneurs and the broader business world.

In short, the Urban League's commitment to black economic development is deeply rooted in its institutional history, and the Movement remains firmly dedicated to the goal of economic parity for black America. Public policymakers, acting in the *nation's* interest, must play a more efficacious role in this campaign. The continued economic deprivation of black Americans is fundamentally a national problem.

PRESENT CONDITIONS

Concern about the current economic status of black Americans, generally and in the nation's urban centers in particular, is amply supported by empirical data. As mentioned earlier, blacks lag well behind on all major indices of economic well-being. The profiles below provide essential details of this summary assessment.

Income and Wealth

Although black Americans constitute 12 percent of the population, their collective income accounts for just 7.4 percent of the national total.[5] On a per capita basis, the annual income of blacks is $6,776, or barely 58 percent of white per capita income. At $16,786, black families, too,

average just 58 percent of the income of white families. Both ratios are smaller now than they were in 1979.

Whether the focus is on individuals or families, blacks who reside inside the central cities of metropolitan areas are considerably worse off on income than their suburban counterparts. The per capita income of the overall black metropolitan area population is $7,110; however, the figure for inner-city blacks is $6,754, or $1,236 less than that of individuals who reside outside the central cities ($7,990). In terms of families, the average income of all metropolitan area blacks is $17,772. The average income for inner-city families, however, is some $6,265 lower than the average income of suburban black families ($16,187 versus $22,452).

Data on the incidence of poverty are equally instructive concerning black/white income disparities as well as the relative condition of urban versus suburban blacks.[6] Almost one out of three black persons subsist below the poverty level, compared to about one out of ten whites. Similarly, the poverty rate for black families is 28 percent, or more than three times the rate of white families. By residence, the poverty rate among black persons in the nation's urban centers (31.2 percent) is nearly nine percent higher than the suburban rate (22.6). Poverty grips 29 percent of metropolitan area black families that are inside central cities, as against 19 percent of black families that reside outside the urban centers.

If their overall income position is severely limited, the wealth status of black Americans can only be described as precarious. This neglected dimension of black economic well-being refers to the net worth of individuals and families—that is, their economic assets less their liabilities.[7] Blacks account for less than three percent of the nation's household wealth. The average wealth of black households is $3,400, which is less than nine percent of the amount of white households ($39,000). Further, more than one half of all black households have a net worth of less than $5,000, and most of these either have no wealth (i.e., their liabilities match their assets) or have a negative value (i.e., their liabilities exceed their assets). Less than a quarter of white households fall below the $5,000 level, and fewer than one in ten of these are in the no-wealth or minus category.

While we cannot provide wealth comparisons between inner-city and suburban black households, there is no doubt that blacks in the urban centers are particularly disadvantaged. For one thing, black wealth, regardless of other household characteristics, is heavily concentrated

in housing. Housing values in the inner-city are substantially lower than the values associated with suburban dwellings.[9]

Employment

Black Americans continue to experience acute problems in the employment area. Overall, the black unemployment rate in 1987 was 13 percent, or more than double the rate of white Americans.[9] More than 34 percent of black teenagers were jobless. Some 36 percent of blacks were out of the labor force, compared to 34 percent of whites. Of utmost concern, the labor force participation rate of black teenagers was about 17 percent lower than that of white teens.

Again, the condition of blacks who live in the central cities of metropolitan areas commands special notice. In 1987, inner-city blacks were unemployed at a rate of 14 percent, as against 10 percent for their suburban counterparts.

Their high unemployment rates have a tremendous effect on the economic status of blacks. It has been estimated that blacks held about 1,640,000 fewer jobs in 1986 than would have been the case if employment parity existed. "Assuming that unemployed blacks would earn on the average about as much as currently employed blacks if they had jobs, this implies a loss of about 25.6 billion dollars in black earnings."[10]

The occupational distribution of employed blacks continues to be skewed toward lower-paying, less prestigious jobs, relative to the white labor force. For example, in 1987, only 42 percent of black workers occupied managerial, professional, or technical positions, compared to 56 percent of white workers. Conversely, blacks were much more likely than whites to be employed as handlers, cleaners, helpers, and laborers. They were also overrepresented in the general service classification.[11]

The black labor force has been especially hard hit by the decline of the manufacturing sector. This problem is directly linked to the residential pattern of blacks with respect to their concentration in urban areas.[12] Manufacturing firms have moved away from these areas to more economically viable suburban and nonmetropolitan settings; others have succumbed to the pressures of foreign competition and technological advancement. These developments, and the corresponding exodus of whites from the central cities, have undermined the economic base of many urban areas and drastically reduced the economic opportunities available to remaining residents.

The decline of urban economies has also limited the circulation of capital within black communities. That is, the incomes of inner-city

blacks, as limited as they are, are largely expended in areas surrounding the urban centers that have increasingly become the locus of business and commerce.[13] All of these observations are highly significant vis a vis the contemporary condition of black business, our chief concern.

Business Enterprise

Business ownership is integral to the overall economic development of black America. From an institutional view, ownership generates economic empowerment and stability and provides a resource base upon which to expand opportunity in the community context. Thus, the real significance of black enterprise is not the potential rewards that might accrue to the individual entrepreneur but the control over resources that serve the interests of the larger black community.

Gaining a viable foothold in the business sector, however, continues to be problematic for blacks. Indeed, of all the economic disadvantages black Americans face, underrepresentation in the ownership of productive and commercial assets is perhaps the most complex and difficult to overcome. Lack of capital, limited access to credit, concentration in restricted consumer markets, lack of business management expertise, and skeptical public attitudes persist among the impingements on black business development.[14]

As of 1982, the latest year for which data are available,[15] there were 339,239 black-owned businesses in the United States. While this total represents a substantial increase over the 1977 total of 231,203, it still accounts for less than three percent of all U.S. businesses. The share of total U.S. sales accounted for by black-owned businesses is even more infinitesimal. Black firms average annual gross receipts of about $36,000. Almost half of black firms gross less than $5,000 per year. Conversely, a mere 0.3 percent gross $1 million or more, and these account for more than 35 percent of the overall receipts of black businesses.

Ninety-five percent of black-owned businesses are sole proprietorships, and only 38,631, or 11 percent, have paid employees. Only 165,765 persons were employed in black-owned businesses in 1982.

Black businesses continue to be heavily concentrated in the services (43.4%) and retail trade (24.8%) industries. Barely two percent of black firms operate in the manufacturing or wholesale trade sectors of the economy.

In summary, the data show that the status of black enterprise is dismal, at best. For the most part, black entrepreneurs operate small

retail and service establishments within very limited consumer markets. Thus, 53 percent of black businesses serve a clientele that is at least 50 percent minority, and 45 percent are patronized by 75 to 100 percent minority customers. (By contrast, 15 percent of the businesses owned by white males have a clientele that is at least 50 percent minority, while 12 percent are patronized by 75 to 100 percent minority customers.)[16] In short, black businesses serve black customers. It is also worth mentioning that although few of them have paid employees, black businesses hire black workers at a vastly higher rate than white-owned businesses. This observation suggests the potential salutary effect of expanded black enterprise on the employment condition in black communities.

RECENT POLICY AND PROGRAM INITIATIVES

From the mid-1960s through the '70s, economic development of inner-city areas, more commonly known as "black ghettos," was a highly topical issue. The public talked about it, scholars wrote about it, and policymakers deliberated on it and the merits of alternative strategies.[17] Although this intensive concern was precipitated by the explosions of black unrest in major American cities,[18] a number of significant public policy and program initiatives were undertaken during this period. The Economic Opportunity Act of 1964, while concentrating on employment and social service programs, contained some provision for economic development. Thus, Title IV of the Act provided for loans and technical assistance to inner-city entrepreneurs. Subsequently, the Model Cities program augmented the federal government's urban development focus.

Under the Nixon Administration, initiatives directed specifically at expanding black business enterprise gained ascendancy. Under the popular rubric of "black capitalism," Project Own, a Small Business Administration (SBA) loan program conceived by the previous administration, was renamed and revamped. Also, Executive Order 11458 established Project Enterprise, out of which the Office of Minority Business Enterprise (OMBE) was created. The Carter Administration sustained and broadened the emphasis on black community development and economic revitalization as part of its thrust toward a national urban policy.

Any overall assessment of the efficacy of recent public policies and programs intended to promote black economic development is problematic. It suffices to say that these efforts did not accomplish nearly as much as was needed or anticipated during the busy 1964-1980 period. On the other hand, the economic development of the black community was at least an express priority on the nation's domestic agenda.

Developments since that time reflect a substantial lessening of concern. Several program areas warrant examination.

Minority Business Enterprise

The Minority Business Development Agency (MBDA), formerly the Office of Minority Business Enterprise, provides technical and managerial assistance to current and prospective minority business owners. Established in 1969, MBDA is the only federal agency created specifically to promote minority business enterprise. Its services are delivered through a network of Minority Business Development Centers (MBDCs) that operate under contract with MBDA. Presently, MBDCs are located in some 47 of the largest Standard Metropolitan Statistical Areas (SMSAs) around the country. Although it has been subject to criticisms—for example, for weak monitoring of MBDC performance and limited coverage of its target population—[19] the MBDA program has been highly beneficial to black and other minority business persons. For example, in fiscal year 1986, the MBDA assisted in the creation, expansion, or restoration of more than six thousand minority businesses.[20]

Despite its utility, the MBDA has not fared well under the Reagan Administration. Thus, funding for the agency has been cut by more than a third since 1981,[21] forcing a substantial curtailment of its operations. More recently, the MBDA had to discontinue a special service designed to help cities, counties, and states to develop minority set-aside programs as a result of decreased funding. This year, the Administration proposes to eliminate the MBDA altogether and transfer its functions, in scaled down form, to the SBA. Although this is not a new proposal, there is no guarantee that the Congress will reject it this time as it has in the past. At best, the MBDA will continue to operate under severe budget contraints. This prospect does not augur well for black business enterprise.

Procurements and Set-Asides

Section 8(a) of the Small Business Administration Act, as amended, authorizes the SBA to contract with other federal agencies for the provision of goods and services and then subcontract with companies owned by socially and economically disadvantaged persons to actually do the work. It has been a major instrument through which small black and other minority firms, which would otherwise be at a severe competitive disadvantage, have been enabled to secure contracts in the lucrative federal procurement market.[22] According to the SBA, there were 3,000 participants in the 8(a) program as of the end of 1986, and 2,000 applications were on hand. The program awarded some $3 billion to 8(a) participants during the 1986 operating year.[23]

Recently, the 8(a) program has been plagued by criticism and controversy, involving charges of mismanagement, fraud, and other abuses. The criticism reached a strident pitch in the wake of the widely publicized Wedtech scandal. Detractors have cited these problems in calling for the elimination of the program. There is no question that the abuses have hurt the program's performance of its chief mandate, and black entrepreneurs have been adversely affected. However, elimination of the 8(a) program would be a monumental setback for black enterprise. What is needed are strong measures to correct current abuses and to prevent their recurrence. Such reform legislation (H.R. 1807 and S.1993) is presently before Congress.[34]

In addition to 8(a), several federal agencies operate their own minority procurement set-aside program. The Department of Defense (DOD), in particular, has a tremendous amount of funds earmarked for minority procurements. The DOD 5 percent set-aside totals about $6 billion. However, the DOD's performance in awarding contracts to minority firms has been dismal and strongly criticized by supporters of black and other minority business enterprise.[35] In general, black entrepreneurs are still a long way from receiving their fair share of the federal procurement dollar.

Community Development Block Grants

The Community Development Block Grant (CDBG) program is designed to aid the refurbishing of urban communities through improving the local housing and living environment and expanding economic opportunity. Formed from the consolidation of seven categorical community development programs in 1974, CDBG has been a valuable resource to urban black America, facilitating the kind of self-help and neighborhood revitalization projects that are sorely needed. These projects provide expanded opportunities for minority contractors, although the involvement of minority firms is far from optimal.[36]

Like all block grants, the CDBG program has experienced budget cuts under the Reagan Administration. The appropriations level for FY 1987 was $3 billion, the FY 1988 level is $2.9 billion, and the recently announced Presidential budget request for FY 1989 is about $2.5 billion. While the cuts in CDBG have comparatively not been as drastic as with a number of other block grants, it is a program that truly needs an increased level of appropriation to better address the urgent needs of urban black America. Additionally, more effective targeting of CDBG funds to areas of obvious economic distress and more attention to adverse displacement effects of funded initiatives are in order.

Urban Development Action Grants

The enactment of the Urban Development Action Grant (UDAG) program in the 1977 amendments to the Housing and Community Development Act of 1974 furthered the emphasis on urban economic development and the role of local government in the process. Conceptually, the UDAG program was designed to encourage new or increased private investment in cities and urban communities that experience severe economic decline.

UDAG is a competitive program that often provides the gap financing necessary to spur development, expand the local economic base, provide increased business opportunities for local vendors, and otherwise stabilize deteriorated neighborhoods.

The Reagan Administration has attempted to abolish the UDAG program. The Administration proposed a zero budget for FY 1988; however, Congress restored funding in the amount of $216 million. For FY 1989, the President has again requested no new funding for UDAG.

The UDAG program is an important tool for enhancing urban communities by providing incentives for private sector development. Again, however, funding levels have been inadequate and are being further jeopardized.

Enterprise Zones

Since taking office, the Reagan Administration has supported the establishment of Enterprise Zones. First introduced in Congress in 1980, the Enterprise Zones concept comprises a package of incentives designed to attract or hold businesses in economically distressed inner cities and rural towns. It was hoped that Enterprise Zones could create a market environment and, therefore, jobs in depressed areas by relieving businesses from normal taxation, regulation, and governmental burden. The job creation would also lead to economic re-development and revitalization initiatives.[27] In principle, then, this strategy has significant potential for improving conditions in urban black America.

To date, actual experience with Enterprise Zones has produced limited benefits for blacks. For one thing, there has been little provision to ensure that employment opportunities generated in the Zones are made available to local disadvantaged residents. Also, there is little indication that small black businesses and community enterprises in the impacted areas have been strengthened.

Operationally, there has been insufficient coordination of existing community development programs with Enterprise Zone schemes. Equally important, community based organizations and local neighborhood investment groups have not been as extensively involved as they should be in the planning and development of Enterprise Zone strategies. All such shortcomings must be overcome if Enterprise Zones are to measurably advance the economic condition of urban black America.

POLICY RECOMMENDATIONS

Once a matter of high national interest, the economic development of urban black America now enjoys very little prominence on the domestic policy agenda. The past seven years, in particular, can at best be called a period of "benign neglect." At worst, it can be said that the Reagan Administration has reduced the prospects for bringing economic vitality and stability to urban black communities. Of course, the Administration would argue that the best antidote for the depressed economic condition of urban black communities is a robust national economy, coupled with more viable self-help initiatives on the part of blacks themselves. These propositions can be challenged.

There is no questioning the fact that successful black economic development is fundamentally dependent upon the state of the general economy. However, it is equally apparent that the Administration's "supply side" economic strategy, whatever its other effects, has not significantly improved conditions in urban black America. These conditions require special, targeted economic revitalization initiatives as well as a strong national economy. The private sector has shown neither the capacity nor the inclination to assume this responsibility alone. Government has to play an active role in designing, funding, and implementing the special measures that are necessary.

Similarly, successful economic development in urban black America is not likely to occur unless blacks pursue self-help initiatives that are soundly conceived and operationalized. However, the Administration's avowed emphasis on self-help has greatly outdistanced its allocation of the resources needed to facilitate it in viable forms. Rhetoric does not suffice; resources are decisive. In large part, the fiscal and technical resources to support economic self-help in urban black America must be provided by the federal government, within the framework of a broader, long-range national strategy of urban revitalization and reinvestment.

In short, the recent policy of federal retrenchment with respect to the economic development of urban black America has been misguided and counterproductive. Restoration of a more active federal role is imperative. In addition, the National Urban League makes the following policy recommendations:

Minority Business Enterprise

- That the Minority Business Development Agency be sustained as an independent office rather than consolidated under the Small Business Administration as proposed.

- That funding of MBDA programs be increased commensurate with the level of need for assistance.

Procurements and Set-Asides

- That proposed reform legislation to eliminate fraud and abuse in the awarding of 8(a) contracts be enacted and vigorously enforced.

- That firms currently participating in the 8(a) program not be excluded until they are able to operate effectively without it.

- That the Department of Defense and other federal agencies be obligated to meet their minority set-aside targets.

Community Development Block Grant

- That CDBG programs be sustained at a funding level more commensurate with the need for assistance.

- That the Department of Housing and Urban Development effect better targeting of CDBG initiatives to distressed communities and their residents.

- That provisions to minimize adverse displacement and afford adequate relocation benefits to displaced families be strengthened.

Urban Development Action Grant

- That UDAG programs be sustained with more effective allocation of resources to revitalizing economically distressed black communities.

- That recipients of UDAG funds be held strictly accountable for compliance with new anti-displacement requirements.

- That there be more effective oversight of Enterprise Zone initiatives to ensure that resultant employment opportunities are adequately targeted to unemployed persons in the area.

- That community-based organizations and neighborhood reinvestment groups be allowed greater participation in the planning and development of Enterprise Zone initiatives.

- That federal policy complement existing state designated zones and promote employment of residents of zone areas and reinvestment by banks and other financial institutions.

- That there be better coordination of Enterprise Zone initiatives with existing economic development programs sponsored by the federal government.

FOOTNOTES

[1]For example, see, James P. Smith and Finis R. Welch, *Closing the Gap: Forty Years of Economic Progress for Blacks.* (Santa Monica, Calif: The Rand Corporation, 1986) and U.S. Commission on Civil Rights, *The Economic Progress of Black Men in America*, Clearinghouse Publication No. 91, 1986.

[2]The National Urban League's *State of Black America* regularly provides a comprehensive assessment of the economic condition of blacks. In the current edition, see, David H. Swinton, "Economic Status of Blacks 1987," in Janet Dewart (ed), *The State of Black America 1988* (New York: National Urban League, Inc., 1988), pp. 129-152; also, Billy J. Tidwell "Black Wealth: Facts and Fiction," op. cit., pp. 193-210.

[3]Useful discussions may be found in Fluornoy A. Coles, *Black Economic Development* (Chicago: Nelson Hall, 1975); Thaddeus H. Spratlen, "Ghetto Economic Development: Content and Character of the Literature," *The Review of Black Political Economy*, Vol. 1, No. 4 (Summer 1971), pp. 43-71; William F. Haddad and G. Douglas Pugh (eds), *Black Economic Development* (Englewood Cliffs, NJ: Prentice-Hall, Inc. 1969).

[4]William J. Wilson, *The Truly Disadvantaged, The Inner City, The Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987).

[5]U.S. Census Bureau, Current Population Report, March 1986, *Money Income of Households, Families and Persons in the United States: 1985* (Washington, DC: U.S. Government Printing Office, 1987).

[6]U.S. Census Bureau, Current Population Report, *Money Income and Poverty Status of Families and Persons in the United States: 1986* (Advance Data from the March 1987 Current Population Survey). (Washington, DC: U.S. Government Printing Office, 1987).

[7]U.S. Census Bureau, Current Popoulation Report, *Household Wealth and Asset Ownership: 1984* (Washington, DC: U.S. Government Printing Office, 1986). Also, Tidwell, op cit.

[8]U.S. Census Bureau, *General Housing Characteristics, United States Summary* (Washington, DC: U.S. Government Printing Office, 1983).

[9]Bureau of Labor Statistics, *Employment and Earnings* (Washington, DC: U.S. Government Printing Office, January 1988).

[10]Swinton, op. cit., p. 145.

[11]*Employment and Earnings*, op. cit., Table 21, p. 180.

[12]Wilson, op. cit.

[13]Robert S. Browne, "Cash Flow in a Ghetto Community," *The Review of Black Political Economy*, Vol. 1, No. 3 (Winter/Spring 1971), pp. 28-39.

[14]Don Marwalder, "The Potential for Black Business," *The Review of Black Political Economy*, Vol. 11, No. 3 (Spring 1981), pp. 303-312; David H. Swinton and John Handy, *The Determinants of the Growth of Black-Owned Businesses: A Preliminary Analysis* (Washington, DC: U.S. Department of Commerce, Minority Business Development Agency, 1983.

[15]U.S. Census Bureau, *1982 Survey of Minority-Owned Business Enterprises: Black* (Washington, DC: U.S. Government Printing Office, 1985).

[16]U.S. Census Bureau, *1982 Characteristics of Business Owners* (Washington, DC: U.S. Government Printing Office, 1987).

[17]Coles, op. cit., Spratlen, op. cit., Haddad and Pugh, op. cit. See, also, William K. Tabb, *The Political Economy of the Black Ghetto* (New York: W.W. Norton and Company, Inc., 1970); Frank G. Davis, *The Economics of Black Community Development* (Chicago: Markham Publishing Company, 1972); and *A New Partnership to Conserve America's Communities: A National Urban Policy* (Washington, DC: U.S. Department of Housing and Urban Development, 1978).

[18]*Report of the National Advisory Commission on Civil Disorders* (Washington, DC: U.S. Government Printing Office, 1968).

[19]See A. Wade Smith and Joan V. Moore, "East-West Differences in Black Economic Development," *Journal of Black Studies*, Vol. 16 No. 2 (December 1985), pp. 131-154; and Alfred E. Osborne, Jr. and Thaddeus H. Spratlen, "Business Development Organizations: A Critique of Their Performance and Prospects," in Benjamin F. Bobo and Alfred E. Osborne, Jr. (eds), *Emerging Issues in Black Economic Development* (Lexington, MA: D.C. Health and Co., 1976), pp. 65-83.

[20]*Annual Performance Report, Minority Business Development Agency FY' 86* (Washington, DC: U.S. Department of Commerce, 1987), p. 19, Table 10.

[21]Information provided by the Minority Business Development Agency, March 18, 1988.

[22]Arthur T. King, "Economic Development Aspects of a Public Policy Program: Section 8(a) Contracts," *The Review of Black Political Economy*, Vol. 11, No. 3 (Spring 1981), pp. 337-346.

[33]*U.S. Small Business Administration Annual Report 1986* (Washington, DC: SBA, 1987).

[34]Congressman Nicholas Mavroules, "Viewpoint: the Need for 8(a) Reform," *MBE Vanguard*, Fall 1987, pp. 5-7.

[35]For example, see, Congressman John Conyers, "Minority Business in America: At the Crossroads," *MBE Vanguard*, Fall 1987, pp. 3-8.

[36]*Increasing Utilization of Minority Business Enterprises Under Community Development Block Grant and Urban Development Block Grant Programs* (Washington, DC: OWD Enterprises, Inc. 1984.)

[37]Dennis M. Roth, *Enterprise Zone and Alternate Area Redevelopment Legislation* (Library of Congress Publication, July 1987).

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